

109TH CONGRESS
1ST SESSION

H. R. 713

To amend the Internal Revenue Code of 1986 to provide a credit to certain agriculture-related businesses for the cost of protecting certain chemicals.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 9, 2005

Mr. LEWIS of Kentucky (for himself, Mr. KINGSTON, Mr. BERRY, Mrs. CUBIN, Mr. BISHOP of Georgia, Mr. HOSTETTLER, Mr. TERRY, Mr. MCINTYRE, Mr. JENKINS, Mr. BUTTERFIELD, Mr. WHITFIELD, Mr. ENGLISH of Pennsylvania, and Mr. ROGERS of Kentucky) 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 a credit to certain agriculture-related businesses for the cost of protecting certain chemicals.

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 “Agricultural Business
5 Security Tax Credit Act of 2005”.

6 **SEC. 2. AGRICULTURAL CHEMICALS SECURITY CREDIT.**

7 (a) IN GENERAL.—Subpart D of part IV of sub-
8 chapter A of chapter 1 of the Internal Revenue Code of

1 1986 (relating to business related credits) is amended by
 2 adding at the end the following new section:

3 **“SEC. 45J. AGRICULTURAL CHEMICALS SECURITY CREDIT.**

4 “(a) IN GENERAL.—For purposes of section 38, in
 5 the case of an eligible agricultural business, the agricul-
 6 tural chemicals security credit determined under this sec-
 7 tion for the taxable year is 50 percent of the aggregate
 8 amount paid or incurred by the eligible agricultural busi-
 9 ness for the purpose of protecting any specified hazardous
 10 chemicals or any specified pesticide from unauthorized ac-
 11 cess.

12 “(b) FACILITY LIMITATION.—The amount of the
 13 credit determined under subsection (a) with respect to any
 14 facility for any taxable year shall not exceed—

15 “(1) \$100,000, reduced by

16 “(2) the aggregate amount of credits deter-
 17 mined under subsection (a) with respect to such fa-
 18 cility for the 5 prior taxable years.

19 “(c) ANNUAL LIMITATION.—The amount of the cred-
 20 it determined under subsection (a) with respect to any tax-
 21 payer for any taxable year shall not exceed \$2,000,000.

22 “(d) ELIGIBLE AGRICULTURAL BUSINESS.—For pur-
 23 poses of this section, the term ‘eligible agricultural busi-
 24 ness’ means any person in the trade or business of—

25 “(1) being a retailer of agricultural products, or

1 “(2) manufacturing, formulating, distributing,
2 or aerially applying fertilizer or specified pesticides.

3 “(e) SPECIFIED HAZARDOUS CHEMICALS.—For pur-
4 poses of this section, the term ‘specified hazardous chem-
5 ical’ means any extremely hazardous substance listed
6 under section 302(a)(2) of the Emergency Planning and
7 Community Right-to-Know Act of 1986, and any haz-
8 ardous material listed under section 101 of part 172 of
9 title 49, Code of Federal Regulations, or part 126, 127,
10 or 154 of title 33, Code of Federal Regulations.

11 “(f) SPECIFIED PESTICIDE.—For purposes of this
12 section, the term ‘specified pesticide’ means any pesticide
13 (as defined in section 2(u) of the Federal Insecticide, Fun-
14 gicide, and Rodenticide Act), including all active and inert
15 ingredients thereof, which is customarily used on food,
16 feed, or crops.

17 “(g) CONTROLLED GROUPS.—Rules similar to the
18 rules of paragraphs (1) and (2) of section 41(f) shall apply
19 for purposes of this section.

20 “(h) REGULATIONS.—The Secretary may prescribe
21 such regulations as may be necessary or appropriate to
22 carry out the purposes of this section, including regula-
23 tions which—

24 “(1) provide for the proper treatment of
25 amounts which are paid or incurred for purpose of

1 protecting any specified hazardous chemical or any
2 specified pesticide and for other purposes, and

3 “(2) provide for the treatment of related prop-
4 erties as one facility for purposes of subsection (b).”.

5 (b) CREDIT ALLOWED AS PART OF GENERAL BUSI-
6 NESS CREDIT.—Section 38(b) of such Code is amended
7 by striking “plus” at the end of paragraph (18), by strik-
8 ing the period at the end of paragraph (19) and inserting
9 “, plus”, and by adding at the end the following new para-
10 graph:

11 “(20) in the case of an eligible agricultural
12 business (as defined in section 45J(d)), the agricul-
13 tural chemicals security credit determined under sec-
14 tion 45J(a).”.

15 (c) DENIAL OF DOUBLE BENEFIT.—Section 280C of
16 such Code is amended by adding at the end the following
17 new subsection:

18 “(e) CREDIT FOR SECURITY OF AGRICULTURAL
19 CHEMICALS.—No deduction shall be allowed for that por-
20 tion of the expenses (otherwise allowable as a deduction)
21 taken into account in determining the credit under section
22 45J for the taxable year which is equal to the amount
23 of the credit determined for such taxable year under sec-
24 tion 45J(a).”.

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

“Sec. 45J. Agricultural chemicals security credit.”.

5 (e) EFFECTIVE DATE.—The amendments made by
6 this section shall apply to amounts paid or incurred during
7 taxable years ending after the date of the enactment of
8 this Act.

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