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114TH CONGRESS
2D SESSION

H. R. 5194

To amend the Internal Revenue Code of 1986 to allow a credit against tax for costs incurred by certain businesses for drug disposal programs.

IN THE HOUSE OF REPRESENTATIVES

MAY 11, 2016

Mr. BLUMENAUER 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 allow a credit against tax for costs incurred by certain businesses for drug disposal programs.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Safe Drug Disposal Tax Credit Act of 2016''.

SEC. 2. DRUG DISPOSAL PROGRAM CREDIT.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new section:

"SEC. 45S. DRUG DISPOSAL PROGRAM CREDIT.

''(a) GENERAL RULE.—For purposes of section 38, in the case of an eligible entity, the drug disposal program credit determined under this section for a taxable year is 30 percent of the qualified drug disposal program costs of such entity for the taxable year.

''(b) DEFINITIONS.—For purposes of this section—

''(1) QUALIFIED DRUG DISPOSAL PROGRAM COSTS.—The term 'qualified drug disposal program costs' means amounts paid or incurred by an eligible entity for establishing or maintaining a drug disposal site, including amounts for materials for such site, outreach and training about the use of such site, and safe disposal of drugs collected at such site.

''(2) DRUG DISPOSAL SITE.—The term 'drug disposal site' means a location where individuals can, free of charge, deposit drugs to be disposed of legally.

''(3) ELIGIBLE ENTITY.—The term 'eligible entity' means an entity authorized under the Controlled Substances Act to dispose of controlled substances.

''(4) DRUG.—The term 'drug' has the meaning given such term in section 201 of the Federal Food, Drug, and Cosmetic Act and includes a biological product, as defined in section 351 of the Public Health Service Act.

"(c) BASIS ADJUSTMENT.—If a credit is determined under this section with respect to any property, the basis of such property shall be reduced by the amount of the credit so determined.".

(b) CONFORMING AMENDMENTS.—

(1) Section 38(b) of such Code is amended by striking "plus" at the end of paragraph (35), by striking the period at the end of paragraph (36) and inserting ", plus", and by adding at the end the following new paragraph:

"(37) in the case of an eligible entity (as defined in section 45S(b)), the drug disposal program credit determined under section 45S.".

(2) Section 1016(a) of such Code is amended by striking "and" at the end of paragraph (36), by striking the period at the end of paragraph (37) and inserting ", and", and by adding at the end the following new paragraph:

"(38) in the case of property with respect to which a credit was allowed under section 45S, to the extent provided in section 45S(c).".

(c) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 45R the following new item:

"Sec. 45S. Drug disposal program credit.".

(d) EFFECTIVE DATE.—The amendments made by this section apply with respect to taxable years beginning after December 31, 2016.

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