

118TH CONGRESS
2D SESSION

H. R. 8504

To amend the Internal Revenue Code of 1986 to establish the critical supply chains reshoring investment tax credit.

IN THE HOUSE OF REPRESENTATIVES

MAY 22, 2024

Ms. MALLIOTAKIS (for herself, Mr. PASCRELL, Mr. MOYLAN, Mr. BILIRAKIS, Mr. LAWLER, Ms. VELÁZQUEZ, 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 establish the critical supply chains reshoring investment tax credit.

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 “Supply Chain Security
5 and Growth Act of 2024”.

6 **SEC. 2. CRITICAL SUPPLY CHAINS RESHORING INVEST-**
7 **MENT CREDIT.**

8 (a) IN GENERAL.—Subpart E of part IV of sub-
9 chapter A of the Internal Revenue Code of 1986 is amend-

1 ed by inserting after section 48E the following new sec-
2 tion:

3 **“SEC. 48F. CRITICAL SUPPLY CHAINS RESHORING INVEST-**
4 **MENT CREDIT.**

5 “(a) IN GENERAL.—For purposes of section 46, in
6 the case of a qualifying taxpayer, the critical supply chains
7 reshoring investment credit is an amount equal to 40 per-
8 cent of the qualified investment with respect to any critical
9 supply chain facility placed in service during such taxable
10 year.

11 “(b) QUALIFIED INVESTMENT.—For purposes of
12 subsection (a), the qualified investment with respect to
13 any critical supply chain facility for any taxable year is
14 an amount equal to the basis of any qualified property
15 placed in service by the taxpayer during such taxable year
16 which is part of a such facility.

17 “(c) QUALIFYING PROPERTY.—For purposes of this
18 section, the term ‘qualifying property’ means property—

19 “(1) that is integral to the operation of a crit-
20 ical supply chain facility,

21 “(2) that is tangible property,

22 “(3) with respect to which depreciation (or am-
23 ortization in lieu of depreciation) is allowable, and

24 “(4) which is—

1 “(A) constructed, reconstructed, or erected
2 by the taxpayer, or

3 “(B) acquired by the taxpayer if the origi-
4 nal use of such property commences with the
5 taxpayer.

6 “(d) CRITICAL SUPPLY CHAIN FACILITY.—

7 “(1) IN GENERAL.—For purposes of this sec-
8 tion, the term ‘critical supply chain facility’ means
9 a facility—

10 “(A) the primary purpose of which is the
11 manufacturing of—

12 “(i) An active pharmaceutical ingre-
13 dient (as defined in section 2017.1 of title
14 21, Code of Federal Regulations (or any
15 successor regulations)),

16 “(ii) A drug (as defined in section
17 201(g) of the Federal Food, Drug, and
18 Cosmetic Act),

19 “(iii) A biological product (as defined
20 in section 351(i)(1) of the Public Health
21 Service Act),

22 “(iv) A medical countermeasure (as
23 defined in section 319F-3(i)(1) of the Pub-
24 lic Health Service Act),

1 “(v) A medical diagnostic device (as
2 defined in section 201(h) of the Federal
3 Food, Drug, and Cosmetic Act) intended
4 for use in the diagnosis of disease or other
5 conditions,

6 “(vi) Semiconductors or semicon-
7 ductor manufacturing equipment,

8 “(vii) Aerospace equipment as defined
9 under North American Industry Classifica-
10 tion Code 3364,

11 “(viii) Artificial nanomaterials, and

12 “(B) located in a ‘specified possession’
13 within the meaning of section 937(c) or Puerto
14 Rico.

15 “(e) RECONSTRUCTED PROPERTY.—Property shall
16 be treated as reconstructed for purposes of subsection
17 (c)(4)(A) if improvements to such property satisfy the
18 substantial improvement test of section 1400Z-
19 2(d)(2)(D)(ii).”.

20 (b) COORDINATION BETWEEN CRITICAL SUPPLY
21 CHAINS RESHORING CREDIT AND ELECTRICITY PRODUC-
22 TION CREDIT.—Section 45(e) of such Code is amended
23 by adding at the end the following new subsection:

24 “(e) COORDINATION WITH CRITICAL SUPPLY
25 CHAINS RESHORING INVESTMENT CREDIT.—The term

1 ‘qualified facility’ shall not include any facility if a credit
2 is allowed under section 48F with respect to such facility
3 for the taxable year or any prior taxable year.”.

4 (c) CONFORMING AMENDMENTS.—

5 (1) Section 6417(b) of such Code is amended
6 by adding at the end the following:

7 “(13) The critical supply chains reshoring in-
8 vestment credit determined under section 48F.”.

9 (2) Section 6418(f)(1)(A) of such Code is
10 amended by adding at the end the following:

11 “(xii) The critical supply chains re-
12 shoring investment credit determined
13 under section 48F.”.

14 (3) Section 46 of such Code is amended by
15 striking “and” at the end of paragraph (6), by strik-
16 ing the period at the end of paragraph (7) and in-
17 serting “, and”, and by adding at the end the fol-
18 lowing new paragraph:

19 “(8) the critical supply chains reshoring invest-
20 ment credit.”.

21 (d) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to property placed in service after
23 December 31, 2024.

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