

118TH CONGRESS
2D SESSION

H. R. 7458

To amend the Internal Revenue Code of 1986 to establish the Made in
the U.S.A. tax credit.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 26, 2024

Mr. KHANNA (for himself, Mr. GRIJALVA, and Mr. KRISHNAMOORTHY) intro-
duced 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 Made in the U.S.A. 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 “Made in the U.S.A.
5 Act”.

6 **SEC. 2. MADE IN THE USA TAX CREDIT.**

7 (a) IN GENERAL.—Subpart C of part IV of sub-
8 chapter A of chapter 1 of the Internal Revenue Code of
9 1986 is amended by inserting after section 36C the fol-
10 lowing new section:

1 **“SEC. 36D. MADE IN THE USA TAX CREDIT.**

2 “(a) IN GENERAL.—In the case of an eligible tax-
3 payer, there shall be allowed as a credit against the tax
4 imposed by this subtitle for any taxable year an amount
5 equal to so much of 30 percent of the qualified expendi-
6 tures of the taxpayer during the taxable year as does not
7 exceed \$2,500 (twice such amount in the case of a married
8 couple filing jointly).

9 “(1) in the case of a joint return, \$5,000, or

10 “(2) in the case of any other taxpayer, \$2,500.

11 “(b) ELIGIBLE TAXPAYER.—For purposes of this
12 section, the term ‘eligible taxpayer’ means an individual
13 who cannot be claimed as a dependent whose—

14 “(1) adjusted gross income does not exceed—

15 “(A) \$250,000 in the case of a joint re-
16 turn, or

17 “(B) \$125,000 in the case of any other
18 taxpayer, and

19 “(2) capital gain net income for the taxable
20 year does not exceed—

21 “(A) \$40,000 in the case of a joint return,

22 or

23 “(B) \$20,000 in the case of any other tax-
24 payer.

25 “(c) QUALIFIED EXPENDITURES.—

1 “(1) IN GENERAL.—For purposes of this sec-
2 tion, the term ‘qualified expenditures’ means so
3 much of the purchase price of the price of a tangible
4 product as does not exceed \$500 if such product—

5 “(A) may be labeled as Made in the United
6 States in accordance with section 323.2 of title
7 16, Code of Federal Regulations (or any suc-
8 cessor regulation), and

9 “(B) is not—

10 “(i) a firearm,

11 “(ii) ammunition,

12 “(iii) alcohol,

13 “(iv) tobacco,

14 “(v) a vehicle,

15 “(vi) gasoline,

16 “(vii) a luxury good,

17 “(viii) food, or

18 “(ix) non-depreciable real property.

19 “(2) LUXURY GOOD.—For purposes of this sub-
20 section, the term ‘luxury good’ means—

21 “(A) an item sold to the taxpayer for an
22 amount that exceeds \$2,000,

23 “(B) a wrist or pocket watch the case of
24 which is clad in or made of precious metal,

1 “(C) jewelry containing pearls, gems, pre-
2 cious and semi-precious stones, or precious met-
3 als,

4 “(D) a fur skin,

5 “(E) an item described in subparagraphs
6 (A) through (D) of section 408(m)(2),

7 “(F) a flat screen, plasma, or LCD tele-
8 vision or display,

9 “(G) a television with a screen exceeding
10 29 inches,

11 “(H) a DVD player,

12 “(I) a laptop, desktop, or tablet computer,

13 “(J) a musical instrument, or

14 “(K) a cellular phone.

15 “(3) INCREASE IN CREDIT FOR CERTAIN PROD-
16 UCTS.—

17 “(A) IN GENERAL.—In the case of an en-
18 ergy star product or a climate resilience prod-
19 uct, paragraph (1) shall be applied by sub-
20 stituting ‘\$1,000’ for ‘\$500’.

21 “(B) CLIMATE RESILIENCE PRODUCT.—

22 For purposes of this paragraph, the term ‘cli-
23 mate resilience product’ means a product with
24 respect to which amounts paid or incurred by

1 the taxpayer to purchase the product would
2 qualify as amounts paid or incurred for—

3 “(i) qualified energy efficiency im-
4 provements or residential energy property
5 expenditures under section 25C, deter-
6 mined without regard to subsection (b) of
7 such section, or

8 “(ii) qualified solar electric property
9 expenditures, qualified solar water heating
10 property expenditures, qualified fuel cell
11 property expenditures, qualified small wind
12 energy property expenditures, qualified
13 geothermal heat pump property expendi-
14 tures, or qualified battery storage tech-
15 nology expenditures under section 25D, de-
16 termined without regard to subsection (b)
17 of such section.

18 “(d) INFLATION ADJUSTMENT.—

19 “(1) IN GENERAL.—In the case of any taxable
20 year beginning after 2023, the dollar amounts in
21 this section shall be increased by an amount equal
22 to—

23 “(A) such dollar amount, multiplied by

24 “(B) the cost-of-living adjustment deter-
25 mined under section 1(f)(3) for the calendar

1 year in which the taxable year begins, deter-
2 mined by substituting ‘calendar year 2022’ for
3 ‘calendar year 2016’ in subparagraph (A)(ii).

4 “(2) ROUNDING.—If any increase under para-
5 graph (1) is not a multiple of \$10, such increase
6 shall be rounded to the nearest multiple of \$10.”.

7 (b) CONFORMING AMENDMENTS.—

8 (1) Section 6211(b)(4)(A) of such Code is
9 amended by inserting “36D,” after “36B,”.

10 (2) Section 1324(b)(2) of such Code is amend-
11 ed by inserting “36D,” after “36B,”.

12 (c) CLERICAL AMENDMENT.—The table of sections
13 for Subpart C of part IV of subchapter A of chapter 1
14 of such Code is amended by inserting after the item relat-
15 ing to section 36C the following new item:

“Sec. 36D. Made in the USA tax credit.”.

16 (d) OUTREACH.—For fiscal year 2024 and each fiscal
17 year thereafter, there is authorized to be appropriated to
18 the Secretary of the Treasury \$1,500,000 to educate tax-
19 payers about the tax credit established by the amendment
20 made by this section.

21 (e) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to expenditures made after the
23 date of the enactment of this section.

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