

118TH CONGRESS
1ST SESSION

H. R. 3249

To provide incentives for the domestic production of printed circuit boards,
and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 11, 2023

Mr. MOORE of Utah (for himself and Ms. ESHOO) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Energy and Commerce, and Science, Space, and Technology, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To provide incentives for the domestic production of printed
circuit boards, and for other purposes.

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 “Protecting Circuit
5 Boards and Substrates Act”.

1 **SEC. 2. TAX CREDIT FOR THE PURCHASE OR ACQUISITION**
2 **OF PRINTED CIRCUIT BOARDS MANUFAC-**
3 **TURED IN THE UNITED STATES.**

4 (a) IN GENERAL.—Subpart D of part IV of sub-
5 chapter A of chapter 1 of the Internal Revenue Code of
6 1986 is amended by inserting after section 45Z the fol-
7 lowing new section:

8 **“SEC. 45AA. CREDIT FOR THE PURCHASE OR ACQUISITION**
9 **OF PRINTED CIRCUIT BOARDS FABRICATED**
10 **IN THE UNITED STATES.**

11 “(a) IN GENERAL.—For the purposes of section 38,
12 the credit determined under this section for the taxable
13 year is an amount equal to 25 percent of the cost paid
14 or incurred by the taxpayer for the purchase or acquisition
15 of printed circuit boards fabricated in the United States
16 for the taxable year.

17 “(b) DEFINITIONS.—For the purposes of this sec-
18 tion—

19 “(1) PRINTED CIRCUIT BOARD.—The term
20 ‘printed circuit board’ has the meaning given such
21 term in section 3(a) of the Protecting Circuit Boards
22 and Substrates Act.

23 “(2) FABRICATED.—The term ‘fabricated’
24 means the use of raw materials to manufacture a
25 connected composite structure featuring electrically

1 conductive and non-conductive elements by subtrac-
2 tive, additive, or other technique.

3 “(c) REGULATIONS AND GUIDANCE.—The Secretary
4 shall, in consultation with the Secretary of Commerce,
5 promulgate such regulations and guidance as may be nec-
6 essary or appropriate to carry out this section.”.

7 (b) CLERICAL AMENDMENT.—The table of sections
8 for subpart D of part IV of subchapter A of chapter 1
9 of such Code is amended by inserting after the item relat-
10 ing to section 45Z the following new item:

 “Sec. 45AA. Credit for the purchase or acquisition of printed circuit boards
 fabricated in the United States.”.

11 (c) CREDIT MADE PART OF GENERAL BUSINESS
12 CREDIT.—Section 38(b) of the Internal Revenue Code of
13 1986 is amended—

14 (1) in paragraph (37), by striking “plus”,

15 (2) in paragraph (38), by striking the period at
16 the end and inserting “, plus”, and

17 (3) by adding at the end the following new
18 paragraph:

19 “(39) the credit for the purchase or acquisition
20 of printed circuit boards fabricated in the United
21 States determined under section 45AA.”.

22 (d) EFFECTIVE DATE.—The amendments made by
23 this section shall apply to amounts paid or incurred after
24 December 31, 2022.

1 **SEC. 3. INCENTIVES FOR PRINTED CIRCUIT BOARD MANU-**
2 **FACTURING AND RESEARCH AND DEVELOP-**
3 **MENT.**

4 (a) DEFINITIONS.—In this section:

5 (1) ACTIVE COMPONENT.—The term “active
6 component” means, with respect to a printed circuit
7 board, an electronic component within an electronic
8 circuit that relies on an external power source to
9 control or modify electrical signals.

10 (2) COVERED ENTITY.—The term “covered en-
11 tity” means a private entity, a consortium of private
12 entities, or a consortium of public and private enti-
13 ties with the ability to substantially finance, con-
14 struct, expand, or modernize a facility relating to
15 manufacturing or research and development of print-
16 ed circuit boards and integrated circuit substrates.

17 (3) COVERED INCENTIVE.—The term “covered
18 incentive” means—

19 (A) an incentive used for the purposes of
20 constructing, expanding, or modernizing a facil-
21 ity described in paragraph (2) that will be lo-
22 cated in the United States; and

23 (B) a workforce-related incentive (includ-
24 ing an agreement to provide grants for work-
25 force training or vocational education), any con-
26 cession with respect to real property, funding

1 for research and development with respect to
2 printed circuit boards, and any other incentive
3 determined by the Secretary, in consultation
4 with the Secretary of State, to be appropriate
5 and related to encouraging investment in facili-
6 ties and equipment in the United States for
7 manufacturing or research and development of
8 printed circuit boards.

9 (4) ECONOMICALLY DISADVANTAGED INDI-
10 VIDUAL.—The term “economically disadvantaged in-
11 dividual” means an individual described in section
12 8(a)(6)(A) of the Small Business Act (15 U.S.C.
13 637(a)(6)(A)).

14 (5) FOREIGN ENTITY; FOREIGN ENTITY OF
15 CONCERN.—The terms “foreign entity” and “foreign
16 entity of concern” have the meanings given such
17 terms in section 9901 of the William M. (Mac)
18 Thornberry National Defense Authorization Act for
19 Fiscal Year 2021 (Public Law 116–283; 15 U.S.C.
20 4651).

21 (6) HISTORICALLY BLACK COLLEGE OR UNI-
22 VERSITY.—The term “historically Black college or
23 university” has the meaning given the term “part B
24 institution” in section 322 of the Higher Education
25 Act of 1965 (20 U.S.C. 1061).

1 (7) INSTITUTION OF HIGHER EDUCATION.—The
2 term “institution of higher education” has the
3 meaning given such term in section 101 of the High-
4 er Education Act of 1965 (20 U.S.C. 1001).

5 (8) INTEGRATED CIRCUIT SUBSTRATE.—The
6 term “integrated circuit substrate” means a thin
7 composite structure of layered electrically conductive
8 materials and organic electrically non-conductive ma-
9 terials that electrically connects integrated circuits
10 to an underlying structure, including a printed cir-
11 cuit board.

12 (9) INTELLIGENCE COMMUNITY.—The term
13 “intelligence community” has the meaning given
14 that term in section 3 of the National Security Act
15 of 1947 (50 U.S.C. 3003).

16 (10) MINORITY-OWNED BUSINESS AND WOMEN-
17 OWNED BUSINESS.—The terms “minority-owned
18 business” and “women-owned business” have the
19 meanings given such terms in section 704B(h) of the
20 Equal Credit Opportunity Act (15 U.S.C. 1691c-
21 2(h)).

22 (11) MINORITY-SERVING INSTITUTION.—The
23 term “minority-serving institution” means any of
24 the following:

1 (A) An Alaska Native-serving institution
2 (as that term is defined in section 317(b) of the
3 Higher Education Act of 1965 (20 U.S.C.
4 1059d(b))).

5 (B) A Native Hawaiian-serving institution
6 (as that term is defined in section 317(b) of
7 such Act (20 U.S.C. 1059d(b))).

8 (C) A Predominantly Black institution (as
9 that term is defined in section 371(c) of such
10 Act (20 U.S.C. 1067q(e))).

11 (D) An Asian American and Native Amer-
12 ican Pacific Islander-serving institution (as that
13 term is defined in section 320(b) of such Act
14 (20 U.S.C. 1059g(b))).

15 (E) A Native American-serving, nontribal
16 institution (as that term is defined in section
17 319(b) of such Act (20 U.S.C. 1059f(b))).

18 (12) PASSIVE COMPONENT.—The term “passive
19 component” means, with respect to a printed circuit
20 board, an electronic component within an electronic
21 circuit that functions using the existing electronic
22 current within the electronic circuit to control or
23 modify electrical signals.

24 (13) PERSON.—The term “person” means an
25 individual or entity.

1 (14) PRINTED CIRCUIT BOARD.—The term
2 “printed circuit board” means a composite structure
3 of layered electrically conductive and non-conductive
4 materials that provides interconnections with other
5 micro-electronics or electronics systems or sub-
6 systems and electrical connections between active
7 and passive components, and may include compo-
8 nents embedded in the composite structure.

9 (15) PROGRAM.—The term “Program” means
10 the program established under subsection (b)(1).

11 (16) SECRETARY.—The term “Secretary”
12 means the Secretary of Commerce.

13 (17) SMALL BUSINESS.—The term “small busi-
14 ness” has the meaning given the term “small busi-
15 ness concern” under section 3(a) of the Small Busi-
16 ness Act (15 U.S.C. 632(a)), except that section
17 121.103 of title 13, Code of Federal Regulations (or
18 any successor regulation) shall not apply.

19 (18) STATE.—The term “State” means each
20 State of the United States, the District of Columbia,
21 each commonwealth, territory, or possession of the
22 United States, and each federally recognized Indian
23 Tribe.

24 (19) VETERAN-OWNED BUSINESS.—The term
25 “veteran-owned business” has the meaning given the

1 term “small business concern owned and controlled
2 by veterans” in section 3(q) of the Small Business
3 Act (15 U.S.C. 632(q)).

4 (b) FINANCIAL ASSISTANCE PROGRAM.—

5 (1) IN GENERAL.—The Secretary shall establish
6 a program that, in accordance with the requirements
7 of this section and subject to the availability of ap-
8 propriations for such purposes, provides Federal fi-
9 nancial assistance to covered entities to incentivize
10 investment in facilities and equipment in the United
11 States for manufacturing or research and develop-
12 ment of printed circuit boards and integrated circuit
13 substrates.

14 (2) PROCEDURE.—

15 (A) IN GENERAL.—A covered entity shall
16 submit to the Secretary an application that de-
17 scribes the project for which the covered entity
18 is seeking financial assistance under the Pro-
19 gram.

20 (B) ELIGIBILITY.—Except as provided in
21 subparagraph (C), in order for a covered entity
22 to qualify for financial assistance under the
23 Program, the covered entity shall demonstrate
24 to the Secretary, in the application submitted

1 by the covered entity under subparagraph (A),
2 that—

3 (i) the covered entity has a docu-
4 mented interest in carrying out a project
5 that is a covered incentive; and

6 (ii) with respect to the project de-
7 scribed in clause (i), the covered entity
8 has—

9 (I) a plan the Secretary deter-
10 mines to be executable to sustain the
11 covered incentive described in clause
12 (i) without additional Federal finan-
13 cial assistance under the Program for
14 facility support;

15 (II) made commitments to work-
16 er and community investment, includ-
17 ing through—

18 (aa) training and education
19 benefits provided by or paid for
20 by the covered entity; and

21 (bb) programs to expand
22 employment opportunity for eco-
23 nomically disadvantaged individ-
24 uals; and

1 (III) secured commitments from
2 regional educational and training enti-
3 ties, postsecondary vocational institu-
4 tions (defined in section 102(c) of the
5 Higher Education Act of 1965 (20
6 U.S.C. 1002(c))), or institutions of
7 higher education to provide workforce
8 training, including programming for
9 training and job placement of eco-
10 nomically disadvantaged individuals.

11 (C) SMALL BUSINESS EXCEPTION.—The
12 requirements in subclauses (II) and (III) of
13 subparagraph (B)(ii) do not apply to small
14 businesses.

15 (D) DUE DILIGENCE.—With respect to the
16 review by the Secretary of an application sub-
17 mitted by a covered entity under subparagraph
18 (A), the Secretary may not approve the applica-
19 tion unless the Secretary—

20 (i) confirms that the covered entity
21 has satisfied the applicable eligibility cri-
22 teria under subparagraph (B); and

23 (ii) determines that the project to
24 which the application relates is in the in-
25 terest of the United States.

1 (E) CONSIDERATIONS FOR REVIEW.—

2 (i) IN GENERAL.—Except as provided
3 in clause (ii), with respect to the review by
4 the Secretary of an application submitted
5 by a covered entity under subparagraph
6 (A), the Secretary shall consider whether
7 the covered entity has—

8 (I) previously received financial
9 assistance under the Program; and

10 (II) demonstrated that it is re-
11 sponsive to the national security needs
12 or requirements established by the in-
13 telligence community (or an agency
14 thereof), the National Nuclear Secu-
15 rity Administration, or the Depart-
16 ment of Defense.

17 (ii) SMALL BUSINESSES EXCLUDED.—
18 Clause (i)(I) does not apply with respect to
19 an application submitted by a small busi-
20 ness under subparagraph (A).

21 (F) PREFERENCES.—

22 (i) IN GENERAL.—The Secretary
23 shall, when practicable, give preference
24 with respect to the approval of an applica-

1 tion submitted under subparagraph (A) by
2 a covered entity that—

3 (I) is a small business, minority-
4 owned business, women-owned busi-
5 ness, or veteran-owned business;

6 (II) expands the United States
7 production capacity of integrated cir-
8 cuit substrates;

9 (III) is relocating a manufac-
10 turing facility of printed circuit
11 boards currently located in an area
12 owned by, controlled by, or subject to
13 the jurisdiction or direction of a for-
14 eign entity of concern; or

15 (IV) includes a workforce train-
16 ing program that is—

17 (aa) a historically Black col-
18 lege or university;

19 (bb) a Hispanic-serving in-
20 stitution (as such term is defined
21 in section 502(a) of the Higher
22 Education Act of 1965 (20
23 U.S.C. 1101a(a)));

24 (cc) a Tribal College or Uni-
25 versity (as such term is defined

1 in section 316(b) of the Higher
2 Education Act of 1965 (20
3 U.S.C. 1059c(b));

4 (dd) a minority-serving in-
5 stitution;

6 (ee) a rural-serving institu-
7 tion of higher education (as such
8 term is defined in section 861(b)
9 of the Higher Education Act of
10 1965 (20 U.S.C. 1161q(b))); or

11 (ff) a workforce training or-
12 ganization that offers industry-
13 recognized, stackable, and port-
14 able credentialing programs.

15 (ii) DEFINITIONS.—In this subpara-
16 graph:

17 (I) STACKABLE.—The term
18 “stackable” means a credential that is
19 part of a set of sequenced, related cre-
20 dentials that demonstrating the in-
21 creasing qualifications of the indi-
22 vidual acquiring the credentials for
23 advancement along a specific career
24 path or to a more senior position in
25 the same or related career path.

1 (II) PORTABLE.—The term
2 “portable” means a credential that is
3 generally recognized and accepted by
4 a wide variety of entities and in mul-
5 tiple geographic locations as verifying
6 the qualifications of an individual.

7 (G) FOREIGN ENTITIES OF CONCERN EX-
8 CLUSION.—

9 (i) The Secretary may not approve an
10 application of a covered entity if the Sec-
11 retary determines that the covered entity is
12 a foreign entity of concern.

13 (ii) None of the funds authorized to
14 be appropriated to carry out this sub-
15 section may be provided to a foreign entity
16 of concern.

17 (H) RECORDS PRODUCTION.—

18 (i) IN GENERAL.—The Secretary may
19 request from a covered entity that submits
20 an application under subparagraph (A) any
21 records and other information that the
22 Secretary determines necessary for the
23 purposes of ascertaining whether an award
24 under the Program will be used for the
25 covered incentive for which such award is

1 sought, including records or other informa-
2 tion regarding the status of such project.

3 (ii) FUNDING RESTRICTION.—No cov-
4 ered entity that fails to provide records or
5 information requested by the Secretary
6 under this subparagraph shall be eligible
7 for Federal financial assistance under the
8 Program if such records or information are
9 reasonably available to such covered entity.

10 (3) AMOUNT.—

11 (A) IN GENERAL.—The Secretary shall de-
12 termine the appropriate amount and funding
13 type for each financial assistance award made
14 to a covered entity under the Program.

15 (B) LARGER INVESTMENT.—The amount
16 awarded under the Program with respect to any
17 individual project may not exceed \$300,000,000
18 unless the Secretary, in consultation with the
19 Secretary of Defense and the Director of Na-
20 tional Intelligence, recommends to the Presi-
21 dent, and the President notifies Congress, that
22 a larger award is necessary to—

23 (i) significantly increase the supply of
24 reliable, domestically produced printed cir-
25 cuit boards that are relevant for the na-

1 tional security and economic competitive-
2 ness of the United States; and

3 (ii) meet the needs of national secu-
4 rity.

5 (4) USE OF FUNDS.—

6 (A) IN GENERAL.—Except as provided by
7 subparagraph (B), a covered entity that re-
8 ceives a financial assistance award under the
9 Program may only use the financial assistance
10 award amounts—

11 (i) for a covered incentive; and

12 (ii) to pay reasonable costs related to
13 the operating expenses for such covered in-
14 centive, including costs relating to the spe-
15 cialized workforce, essential materials, and
16 complex equipment maintenance, as deter-
17 mined by the Secretary.

18 (B) LARGER INVESTMENTS.—If the
19 amount awarded under the Program with re-
20 spect to the project is more than \$300,000,000,
21 the covered entity that received such award may
22 use such amounts only for the purposes de-
23 scribed in subparagraph (A) to the extent that
24 such use meets the national security needs or

1 enhances the economic competitiveness of the
2 United States.

3 (5) CLAWBACK.—

4 (A) DELAY CLAWBACK.—

5 (i) TARGET DATES.—With respect to
6 any award made under the Program, the
7 Secretary shall—

8 (I) determine target dates by
9 which the project with respect to
10 which such award was made shall
11 commence and complete; and

12 (II) set such dates by the time of
13 the award.

14 (ii) PROGRESSIVE RECOVERY FOR
15 DELAYS.—If a project is not commenced
16 and completed by the dates determined
17 under clause (i) for such project, the Sec-
18 retary shall progressively recover from the
19 recipient of the award for such project up
20 to the full amount of such award.

21 (iii) WAIVER.—In the case of a
22 project that is not commenced or com-
23 pleted by the dates determined under
24 clause (i) for such project, the Secretary
25 may waive elements of the clawback provi-

1 sions incorporated in the award made
2 under the Program for such project only if,
3 prior to granting such waiver, the Sec-
4 retary—

5 (I) makes a formal determination
6 that circumstances beyond the ability
7 of the covered entity to foresee or con-
8 trol are responsible for delays; and

9 (II) submits a notice to Congress.

10 (B) TECHNOLOGY CLAWBACK.—The Sec-
11 retary may recover the full amount of any
12 award made under the Program from the re-
13 cipient of the award if, during the period deter-
14 mined under subparagraph (A)(i) for the
15 project with respect to which such award was
16 made, the recipient knowingly engages in any
17 joint research or technology licensing effort
18 with a foreign entity of concern that relates to
19 a technology or product that raises national se-
20 curity concerns, as determined by the Secretary.

21 (C) NOTIFICATION TO CONGRESS.—

22 (i) IN GENERAL.—The Secretary shall
23 notify Congress of—

1 (I) the clawback provisions at-
2 tending each award described in sub-
3 paragraph (A)(i); and

4 (II) each waiver provided under
5 subparagraph (A)(iii) not later than
6 15 days after the date on which the
7 Secretary provides such waiver.

8 (ii) WAIVER NOTICE CONTENTS.—The
9 notice required under clause (i)(II) shall
10 include—

11 (I) the elements of the clawback
12 provisions that were waived under
13 subparagraph (A)(iii);

14 (II) an explanation of why such
15 waiver was provided;

16 (III) the duration of the delay
17 with respect to which such waiver was
18 granted; and

19 (IV) the name of the covered en-
20 tity that was granted such waiver.

21 (c) COORDINATION REQUIRED.—In carrying out the
22 Program, the Secretary shall coordinate with—

23 (1) the Secretary of State;

24 (2) the Secretary of Defense;

25 (3) the Secretary of Energy;

1 (4) the Director of National Intelligence;

2 (5) the Director of the Minority Business De-
3 velopment Agency of the Department of Commerce;

4 (6) the Administrator of the Small Business
5 Administration;

6 (7) the Director of the National Institute of
7 Standards and Technology;

8 (8) the Director of the Cybersecurity and Infra-
9 structure Agency; and

10 (9) the Director of the Office of Foreign Assets
11 Control of the Department of the Treasury.

12 (d) GAO REVIEWS.—The Comptroller General of the
13 United States shall—

14 (1) not later than 2 years after the date of dis-
15 bursement of the first award under the Program,
16 and biennially thereafter for 10 years, conduct a re-
17 view of the Program, which shall include—

18 (A) a determination of the number of
19 awards provided under the Program during the
20 two-year period immediately preceding the re-
21 view;

22 (B) an evaluation of how—

23 (i) such program is being carried out,
24 including how recipients of awards under
25 the Program are being selected; and

1 (ii) other Federal programs are lever-
2 aged for manufacturing, research, and
3 training to complement the awards made
4 under the Program; and

5 (C) a description of the outcomes of
6 projects supported by awards made under the
7 Program, including a description of—

8 (i) facilities described in subsection
9 (b)(1) that were constructed, expanded, or
10 modernized as a result of such awards;

11 (ii) research and development carried
12 out with such awards;

13 (iii) workforce training programs car-
14 ried out with such awards, including ef-
15 forts to hire economically disadvantaged
16 individuals; and

17 (iv) the effects of such projects on the
18 United States share of global printed cir-
19 cuit board production; and

20 (2) notify Congress of the results of each review
21 conducted under paragraph (1).

22 (e) AUTHORIZATION OF APPROPRIATIONS.—There is
23 authorized to be appropriated \$3,000,000,000 for fiscal

- 1 year 2024, to remain available through fiscal year 2025,
- 2 to carry out this section.

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