

117TH CONGRESS
1ST SESSION

H. R. 590

To amend the Internal Revenue Code of 1986 to provide a tax credit for certain expenses of moving manufacturing equipment from China to the United States, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 28, 2021

Mr. POSEY 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 tax credit for certain expenses of moving manufacturing equipment from China to the United States, 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 “Reshoring American
5 Manufacturing Act of 2021” or as the “RAM Act of
6 2021”.

1 **SEC. 2. CREDIT FOR CERTAIN EXPENSES OF MOVING MAN-**
2 **UFACTURING EQUIPMENT FROM CHINA TO**
3 **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 adding at the end the following new
7 section:

8 **“SEC. 45U. MANUFACTURING RESHORING CREDIT.**

9 “(a) IN GENERAL.—For purposes of section 38, the
10 manufacturing reshoring credit for any taxable year is the
11 applicable percentage of the eligible reshoring expenses
12 paid or incurred by the taxpayer during such taxable year.

13 “(b) LIMITATION.—The credit determined under sub-
14 section (a) with respect to any taxpayer for any taxable
15 year shall not exceed \$25,000,000.

16 “(c) APPLICABLE PERCENTAGE.—For purposes of
17 this section, the term ‘applicable percentage’ means—

18 “(1) in the case of any taxable year beginning
19 in 2021 or 2022, 100 percent,

20 “(2) in the case of any taxable year beginning
21 in 2023, 80 percent, and

22 “(3) in the case of any taxable year beginning
23 in 2024, 60 percent.

24 “(d) ELIGIBLE RESHORING EXPENSES.—For pur-
25 poses of this section—

1 “(1) IN GENERAL.—The term ‘eligible reshoring
2 expenses’ means, with respect to any taxpayer,
3 amounts paid or incurred by such taxpayer for the
4 transportation (including any import duties, fees, or
5 tariffs imposed with respect to such transportation)
6 of qualified manufacturing equipment from China to
7 the United States.

8 “(2) QUALIFIED MANUFACTURING EQUIP-
9 MENT.—The term ‘qualified manufacturing equip-
10 ment’ means, with respect to any taxpayer, manu-
11 facturing equipment owned by such taxpayer
12 which—

13 “(A) before the transportation referred to
14 in paragraph (1) was used by such taxpayer to
15 manufacture tangible property in China, and

16 “(B) after the transportation referred to in
17 paragraph (1) is used by such taxpayer to man-
18 ufacture tangible property in the United States.

19 “(e) RECAPTURE.—If any qualified manufacturing
20 equipment with respect to which a credit was allowed
21 under this section is transported outside the United States
22 (after transportation to the United States as described in
23 subsection (d)) during the 3-year period beginning on the
24 date (after such transportation) on which such property
25 is placed in service by the taxpayer in the United States,

1 the tax imposed under this chapter on such taxpayer for
2 the taxable year which includes the date on which such
3 property is so transported outside the United States shall
4 be increased by the amount of the credit determined under
5 this section with respect to such property.

6 “(f) SPECIAL RULES.—

7 “(1) DENIAL OF DOUBLE BENEFIT.—Any de-
8 duction or credit allowed under this title (other than
9 this section) with respect to any eligible reshoring
10 expenses shall be reduced by the amount of the cred-
11 it determined under this section.

12 “(2) AGGREGATION RULE.—For purposes of
13 the dollar limitation imposed under subsection (b),
14 all members of the same controlled group of corpora-
15 tions (within the meaning of section 267(f)) and all
16 persons under common control (within the meaning
17 of section 52(b) but determined by treating an inter-
18 est of more than 50 percent as a controlling inter-
19 est) shall be treated as 1 person and such dollar lim-
20 itation shall be allocated in such manner as the Sec-
21 retary may provide.

22 “(3) ELECTION TO NOT HAVE SECTION
23 APPLY.—No credit shall be determined under sub-
24 section (a) with respect to any taxpayer for any tax-
25 able year if such taxpayer make an election under

1 this paragraph (at such time and in such manner as
2 the Secretary may provide) to have such subsection
3 not apply for such taxable year.

4 “(g) TERMINATION.—No credit shall be determined
5 under this section for any taxable year beginning after De-
6 cember 31, 2024.”.

7 (b) CREDIT ALLOWED AS PART OF GENERAL BUSI-
8 NESS CREDIT.—Section 38(b) of such Code is amended
9 by striking “plus” at the end of paragraph (32), by strik-
10 ing the period at the end of paragraph (33) and inserting
11 “, plus”, and by adding at the end the following new para-
12 graph:

13 “(34) the manufacturing reshoring credit deter-
14 mined under section 45U(a).”.

15 (c) CLERICAL AMENDMENT.—The table of sections
16 for subpart D of part IV of subchapter A of chapter 1
17 of such Code is amended by adding at the end the fol-
18 lowing new item:

“Sec. 45U. Manufacturing reshoring credit.”.

19 (d) EFFECTIVE DATE.—The amendments made by
20 this section shall apply to amounts paid or incurred after
21 the date of the enactment of this Act, in taxable years
22 ending after such date.

○