

107TH CONGRESS
1ST SESSION

H. R. 2064

To provide for comprehensive brownfield site assessment, cleanup, and
redevelopment.

IN THE HOUSE OF REPRESENTATIVES

JUNE 5, 2001

Mr. QUINN (for himself, Mr. MEEHAN, Mr. MCHUGH, and Mr. MCGOVERN) introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committees on Small Business, Transportation and Infrastructure, and Ways and Means, 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 for comprehensive brownfield site assessment,
cleanup, and redevelopment.

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 “Brownfields Redevelop-
5 ment Incentives Act”.

6 **SEC. 2. TABLE OF CONTENTS.**

7 The table of contents is as follows:

Sec. 1. Short title.

Sec. 2. Table of contents.

- Sec. 3. Findings.
 Sec. 4. Definitions.

**TITLE I—REDEVELOPMENT OF BROWNFIELD SITES THROUGH
 EXISTING COMMUNITY DEVELOPMENT AND SMALL BUSINESS
 ASSISTANCE PROGRAMS**

Subtitle A—Community Development Programs

- Sec. 101. Eligibility of nonentitlement communities for Brownfields Economic Development Program.
 Sec. 102. Collateral for CDBG loan guarantees for loans funding brownfield sites activities.
 Sec. 103. Definitions.
 Sec. 104. Community development financial institutions assistance for brownfield sites activities.

Subtitle B—Small Business Programs

- Sec. 111. Set-aside of general business loans for brownfield activities.
 Sec. 112. Small business investment companies devoted to brownfield cleanup activities.
 Sec. 113. Small business development company set-aside for brownfield prevention and redevelopment projects.
 Sec. 114. Sense of Congress regarding risk.

**TITLE II—REDEVELOPMENT OF BROWNFIELD SITES THROUGH
 ECONOMIC DEVELOPMENT ADMINISTRATION PROGRAMS**

- Sec. 201. Purposes.
 Sec. 202. Definitions.
 Sec. 203. Coordination.
 Sec. 204. Grants for brownfield site redevelopment.
 Sec. 205. Authorization of appropriations.

TITLE III—TAX INCENTIVES RELATING TO BROWNFIELDS

- Sec. 301. Environmental remediation tax credit.
 Sec. 302. Brownfields IRA.
 Sec. 303. Exclusion of interest received on indebtedness incurred for environmental remediation.
 Sec. 304. Expensing of environmental remediation costs.
 Sec. 305. Credit for environmental remediation technology research.

1 SEC. 3. FINDINGS.

2 The Congress finds that—

- 3 (1) the biggest hurdle that cities, communities,
 4 and the private sector face when trying to acquire
 5 and redevelop brownfield sites is the lack of capital
 6 to carry out critical early-stage activities, including

1 site assessment and remediation planning, and the
2 actual cleanup itself;

3 (2) private financiers, on their own, are often
4 not willing or able to provide the funding needed to
5 take previously used property through the full rede-
6 velopment cycle;

7 (3) the components of successful brownfield site
8 cleanups fall under the jurisdiction of many existing
9 Federal programs;

10 (4) the issue of brownfields has given rise to
11 new concerns about project risk and collateral value,
12 and has complicated the traditional view of credit-
13 worthiness;

14 (5) the complexity of brownfield situations,
15 which varies depending on the nature and extent of
16 contamination, the intended end-use of the site, and
17 its location, means that no single approach, and no
18 single financial assistance tool, will fit the majority
19 of brownfield situations;

20 (6) to maximize available Federal resources, a
21 number of financial assistance tools need to be re-
22 fined so that they better link with existing financial
23 assistance programs; and

24 (7) to ensure that the Environmental Protection
25 Agency is as responsive as possible in meeting ongo-

1 ing brownfield site challenges, and to reflect the
2 Agency’s evolving optimum role in these efforts, the
3 Environmental Protection Agency should provide
4 training, technical assistance, and direct outreach
5 services in conjunction with State and local
6 brownfield initiatives.

7 **SEC. 4. DEFINITIONS.**

8 For purposes of this Act:

9 (1) **APPROPRIATE FEDERAL AGENT.**—The term
10 “appropriate Federal agent” means—

11 (A) with respect to the use of the term
12 “brownfield site” in the Housing and Commu-
13 nity Development Act of 1974 and the Reigle
14 Community Development and Regulatory Im-
15 provement Act of 1994, the Secretary of Hous-
16 ing and Urban Development, in consultation
17 with the Administrator of the Environmental
18 Protection Agency;

19 (B) with respect to the use of the term
20 “brownfield site” in the Small Business Act,
21 the Small Business Investment Act of 1958,
22 and section 114 of this Act, the Administrator
23 of the Small Business Administration, in con-
24 sultation with the Administrator of the Envi-
25 ronmental Protection Agency; and

1 (C) with respect to the use of the term
2 “brownfield site” in section 201(1) of this Act
3 and in the Public Works and Economic Devel-
4 opment Act of 1965, the Secretary of Com-
5 merce, in consultation with the Administrator
6 of the Environmental Protection Agency.

7 (2) BROWNFIELD SITE.—

8 (A) IN GENERAL.—The term “brownfield
9 site” means real property, the expansion, rede-
10 velopment, or reuse of which may be com-
11 plicated by the presence or potential presence
12 of—

13 (i) a hazardous substance (as defined
14 in section 101 of the Comprehensive Envi-
15 ronmental Response, Compensation, and
16 Liability Act of 1980 (42 U.S.C. 9601));
17 or

18 (ii) any other pollutant or contami-
19 nant, as determined by the appropriate
20 Federal agent.

21 (B) EXCLUSIONS.—Except as provided in
22 subparagraph (C), the term “brownfield site”
23 does not include—

24 (i) a facility that is the subject of a
25 planned or ongoing removal action under

1 the Comprehensive Environmental Re-
2 sponse, Compensation, and Liability Act of
3 1980 (42 U.S.C. 9601 et seq.);

4 (ii) a facility that is listed on the Na-
5 tional Priorities List, or is proposed for
6 listing on that list, under that Act;

7 (iii) a facility that is the subject of a
8 unilateral administrative order, a court
9 order, an administrative order on consent,
10 or a judicial consent decree that has been
11 issued to or entered into by the parties
12 under that Act;

13 (iv) a facility that is the subject of a
14 unilateral administrative order, a court
15 order, an administrative order on consent,
16 or a judicial consent decree that has been
17 issued to or entered into by the parties, or
18 a facility to which a permit has been issued
19 by the United States or an authorized
20 State, under—

21 (I) the Solid Waste Disposal Act
22 (42 U.S.C. 6901 et seq.);

23 (II) the Federal Water Pollution
24 Control Act (33 U.S.C. 1251 et seq.);

1 (III) the Toxic Substances Con-
2 trol Act (15 U.S.C. 2601 et seq.); or

3 (IV) the Safe Drinking Water
4 Act (42 U.S.C. 300f et seq.);

5 (v) a facility—

6 (I) that is subject to corrective
7 action under section 3004(u) or
8 3008(h) of the Solid Waste Disposal
9 Act (42 U.S.C. 6924(u), 6928(h));
10 and

11 (II) to which a corrective action
12 permit or order has been issued or
13 modified to require the implementa-
14 tion of corrective measures;

15 (vi) a land disposal unit with respect
16 to which—

17 (I) a closure notification under
18 subtitle C of the Solid Waste Disposal
19 Act (42 U.S.C. 6921 et seq.) has been
20 submitted; and

21 (II) closure requirements have
22 been specified in a closure plan or
23 permit;

24 (vii) a facility that is subject to the
25 jurisdiction, custody, or control of a de-

1 partment, agency, or instrumentality of the
2 United States, except for land held in trust
3 by the United States for an Indian tribe;

4 (viii) a portion of a facility—

5 (I) at which there has been a re-
6 lease of polychlorinated biphenyls; and

7 (II) that is subject to remediation
8 under the Toxic Substances Control
9 Act (15 U.S.C. 2601 et seq.); or

10 (ix) a portion of a facility, for which
11 portion assistance for response activity has
12 been obtained under subtitle I of the Solid
13 Waste Disposal Act (42 U.S.C. 6991 et
14 seq.) from the Leaking Underground Stor-
15 age Tank Trust Fund established by sec-
16 tion 9508 of the Internal Revenue Code of
17 1986.

18 (C) SITE-BY-SITE INCLUSIONS.—The term
19 “brownfield site” includes a site referred to in
20 clause (i), (iv), (v), (vi), (viii), or (ix) of sub-
21 paragraph (B), if, on a site-by-site basis, the
22 appropriate Federal agent determines that use
23 of the financial assistance at the site will—

24 (i) protect human health and the envi-
25 ronment; and

1 (ii)(I) promote economic development;

2 or

3 (II) enable the creation of, preserva-
4 tion of, or addition to parks, greenways,
5 undeveloped property, other recreational
6 property, or other property used for non-
7 profit purposes.

8 (D) ADDITIONAL INCLUSIONS.—The term
9 ‘brownfield site’ includes a site that meets the
10 definition of ‘brownfield site’ under subpara-
11 graphs (A) through (C) that—

12 (i) is contaminated by a controlled
13 substance (as defined in section 102 of the
14 Controlled Substances Act (21 U.S.C.
15 802));

16 (ii)(I) is contaminated by petroleum
17 or a petroleum product excluded from the
18 definition of ‘hazardous substance’ under
19 section 101 of the Comprehensive Environ-
20 mental Response, Compensation, and Li-
21 ability Act of 1980 (42 U.S.C. 9601); and

22 (II) is a site determined by the appro-
23 priate Federal agent to be—

24 (aa) of relatively low risk, as
25 compared with other petroleum-only

1 sites in the State in which the site is
2 located; and

3 (bb) a site for which there is no
4 viable responsible party and that will
5 be assessed, investigated, or cleaned
6 up by a person that is not potentially
7 liable for cleaning up the site; and

8 (III) is not subject to any order issued
9 under section 9003(h) of the Solid Waste
10 Disposal Act (42 U.S.C. 6991b(h)); or

11 (iii) is mine-scarred land.

12 **TITLE I—REDEVELOPMENT OF**
13 **BROWNFIELD SITES**
14 **THROUGH EXISTING COMMU-**
15 **NITY DEVELOPMENT AND**
16 **SMALL BUSINESS ASSIST-**
17 **ANCE PROGRAMS**

18 **Subtitle A—Community**
19 **Development Programs**

20 **SEC. 101. ELIGIBILITY OF NONENTITLEMENT COMMU-**
21 **NITIES FOR BROWNFIELDS ECONOMIC DE-**
22 **VELOPMENT PROGRAM.**

23 Section 108(q) of the Housing and Community De-
24 velopment Act of 1974 (42 U.S.C. 5308(q)) is amended—

25 (1) in paragraph (1)—

1 (A) by inserting “(A)” after “grants”; and

2 (B) by inserting before the period at the
3 end the following: “, and (B) to units of general
4 local government in nonentitlement areas for
5 the purpose of assisting environmental cleanup
6 and economic development activities related to
7 brownfield sites”;

8 (2) in paragraph (2)—

9 (A) by inserting “(A)” after “only”; and

10 (B) by inserting before the period at the
11 end the following: “, or (B) in the case of
12 grants pursuant to paragraph (1)(B), for the
13 purpose of environmental cleanup and economic
14 development activities related to brownfield
15 sites”; and

16 (3) in the second sentence of paragraph (3), by
17 striking “Eligible” and inserting “Except in the case
18 of applications for grants pursuant to paragraph
19 (1)(B), eligible”.

20 **SEC. 102. COLLATERAL FOR CDBG LOAN GUARANTEES FOR**
21 **LOANS FUNDING BROWNFIELD SITES ACTIVI-**
22 **TIES.**

23 Section 108(d) of the Housing and Community De-
24 velopment Act of 1974 (42 U.S.C. 5308(d)) is amended—

1 (1) in paragraph (1), by striking “To” and in-
2 serting “Except as provided in paragraph (2), to”;—

3 (2) by redesignating paragraph (2) as para-
4 graph (3); and

5 (3) by inserting after paragraph (1) the fol-
6 lowing new paragraph:

7 “(2) In the case of notes or other obligations issued
8 by a metropolitan city or urban county for the purposes
9 of financing environmental cleanup and economic develop-
10 ment activities related to brownfield sites, to assure the
11 repayment of such notes or obligations and charges in-
12 curred under this section, the Secretary shall require the
13 issuer—

14 “(A) to enter into a contract described in para-
15 graph (1)(A); and

16 “(B) furnish such security as may be deemed
17 appropriate by the Secretary in making such guar-
18 antees, including increments in local tax receipts
19 generated by the brownfield site activities and any
20 dedicated sources of revenue from such activities.”.

21 **SEC. 103. DEFINITIONS.**

22 Section 108 of the Housing and Community Develop-
23 ment Act of 1974 (42 U.S.C. 5308) is amended by strik-
24 ing subsection (o) and inserting the following new sub-
25 section:

1 “(o) DEFINITIONS.—For purposes of this section:

2 “(1) BROWNFIELD SITE.—The term ‘brownfield
3 site’ has the meaning given such term in section 4
4 of the Brownfields Redevelopment Incentives Act.

5 “(2) ELIGIBLE PUBLIC ENTITY.—The term ‘eli-
6 gible public entity’ means any unit of general local
7 government, including units of general local govern-
8 ment in nonentitlement areas.”.

9 **SEC. 104. COMMUNITY DEVELOPMENT FINANCIAL INSTITU-**
10 **TIONS ASSISTANCE FOR BROWNFIELD SITES**
11 **ACTIVITIES.**

12 Section 121(a) of the Reigle Community Develop-
13 ment and Regulatory Improvement Act of 1994 (12
14 U.S.C. 4718(a)) is amended by inserting at the end the
15 following new paragraph:

16 “(6) BROWNFIELD CLEANUP AND REDEVELOP-
17 MENT.—In addition to the amounts authorized to be
18 appropriated under paragraph (1) or otherwise to
19 carry out this subtitle, there are authorized to be ap-
20 propriated to the Fund \$25,000,000, except that
21 such amounts shall be available only for providing
22 assistance under section 108 to a community devel-
23 opment financial institution for carrying out a lend-
24 ing strategy that has been developed by the institu-
25 tion and has as its purpose assisting the environ-

1 mental cleanup and economic development of invest-
2 ment areas that consist of one or more brownfield
3 sites (as such term is defined in section 4 of the
4 Brownfields Redevelopment Incentives Act).”.

5 **Subtitle B—Small Business** 6 **Programs**

7 **SEC. 111. SET-ASIDE OF GENERAL BUSINESS LOANS FOR** 8 **BROWNFIELD ACTIVITIES.**

9 Section 7(a) of the Small Business Act (15 U.S.C.
10 636(a)) is amended by adding at the end the following
11 new paragraph:

12 “(31) SET-ASIDE FOR BROWNFIELD ACTIVI-
13 TIES.—

14 “(A) IN GENERAL.—In each fiscal year,
15 the Administrator of the Small Business Ad-
16 ministration shall set aside the lesser of
17 \$100,000,000 or 2 percent of the amount made
18 available for the fiscal year to carry out this
19 subsection for loans described in subparagraph
20 (B).

21 “(B) USE OF FUNDS.—The Administrator
22 may use funds set aside under subparagraph
23 (A) to make loans under this subsection to
24 small-business concerns to assist such concerns
25 in carrying out site assessments, remediation

1 planning, and cleanup activities with respect to
2 brownfield sites.

3 “(C) PARTICIPATION IN CERTAIN ACTIVITIES REQUIRED.—The Administrator may not
4 make a loan under this paragraph to a small-
5 business concern unless the concern participates
6 in—
7

8 “(i) a voluntary program for the
9 cleanup of brownfield sites carried out by
10 the State in which the brownfield site for
11 which the loan is made is located; or

12 “(ii) other activities, approved by such
13 State and the Environmental Protection
14 Agency, for the cleanup of brownfield sites.

15 “(D) DEFINITIONS.—In this paragraph,
16 the following definitions apply:

17 “(i) BROWNFIELD SITE.—The term
18 ‘brownfield site’ has the meaning given
19 that term in section 4 of the Brownfields
20 Redevelopment Incentives Act.

21 “(ii) SITE ASSESSMENT.—The term
22 ‘site assessment’, with respect to a
23 brownfield site, means any investigation of
24 the site determined appropriate by the
25 President and carried out under section

1 104(b) of the Comprehensive Environ-
2 mental Response, Compensation, and Li-
3 ability Act of 1980 (42 U.S.C. 9604(b)).”.

4 **SEC. 112. SMALL BUSINESS INVESTMENT COMPANIES DE-**
5 **VOTED TO BROWNFIELD CLEANUP ACTIVI-**
6 **TIES.**

7 (a) IN GENERAL.—Part A of title III of the Small
8 Business Investment Act of 1958 (15 U.S.C. 681 et seq.)
9 is amended by adding at the end the following new section:

10 **“SEC. 321. SMALL BUSINESS INVESTMENT COMPANIES DE-**
11 **VOTED TO BROWNFIELD CLEANUP ACTIVI-**
12 **TIES.**

13 “(a) IN GENERAL.—In accordance with this part, the
14 Administrator shall promote the formation of not less than
15 1 small business investment company devoted to making
16 loans to small business concerns for—

17 “(1) brownfield site cleanup activities, including
18 those that use innovative or experimental cleanup
19 technologies; or

20 “(2) projects that help existing companies clean
21 up their facilities and adopt new, clean technologies.

22 “(b) WAIVER OF FEES.—With respect to a small
23 business investment company described in subsection (a),
24 the Administrator may waive the fees imposed under sec-
25 tion 301(e).

1 “(c) SET-ASIDE.—In each fiscal year, the Adminis-
2 trator shall set aside the lesser of \$2,000,000 or 10 per-
3 cent of the amount made available for the fiscal year to
4 carry out this part for use in providing leverage to small
5 business investment companies described in subsection
6 (a).

7 “(d) PARTICIPATION IN CERTAIN ACTIVITIES RE-
8 QUIRED.—As a condition of the receipt of assistance made
9 available under this section, the Administrator shall re-
10 quire each small business investment company receiving
11 such assistance to require that each small business con-
12 cern to which the company makes a loan participate in—

13 “(1) a voluntary program for the cleanup of
14 brownfield sites carried out by the State in which
15 the brownfield site for which the loan is made is lo-
16 cated; or

17 “(2) other activities, approved by such State
18 and the Environmental Protection Agency, for the
19 cleanup of brownfield sites.”.

20 (b) CONFORMING AMENDMENT.—Section 103 of the
21 Small Business Investment Act of 1958 (15 U.S.C. 662)
22 is amended—

23 (1) in paragraph (16), by striking “and” at the
24 end;

1 (2) in paragraph (17), by striking the period at
2 the end and inserting “; and”; and

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

5 “(18) the term ‘brownfield site’ has the mean-
6 ing given that term in section 4 of the Brownfields
7 Redevelopment Incentives Act.”.

8 **SEC. 113. SMALL BUSINESS DEVELOPMENT COMPANY SET-**
9 **ASIDE FOR BROWNFIELD PREVENTION AND**
10 **REDEVELOPMENT PROJECTS.**

11 Title 5 of the Small Business Investment Act of 1958
12 (15 U.S.C. 695 et seq.) is amended by adding at the end
13 the following new section:

14 **“SEC. 511. ASSISTANCE FOR BROWNFIELD PREVENTION**
15 **AND REDEVELOPMENT PROJECTS.**

16 “(a) PURPOSE.—The purpose of this section is to
17 make capital available to small, polluting industries, or to
18 the prospective purchasers of such industries, that have
19 limited or no access to capital from conventional sources
20 for assessing and cleaning up their sites and facilities or
21 acquiring new, clean technologies and production equip-
22 ment.

23 “(b) SET-ASIDE.—In each fiscal year, the Adminis-
24 trator shall set aside the lesser of \$50,000,000 or 10 per-
25 cent of the amount made available for the fiscal year to

1 carry out this title for assistance to local development
2 companies to enable such companies to finance projects
3 that—

4 “(1) assist existing small business concerns in
5 carrying out site assessments and cleanup activities
6 at brownfield sites; or

7 “(2) assist prospective owners or operators of
8 small business concerns in carrying out site assess-
9 ments and cleanup activities at brownfield sites nec-
10 essary to facilitate a transition in ownership or to
11 encourage industrial succession.

12 “(c) SITE ASSESSMENT DEFINED.—In this section,
13 the term ‘site assessment’, with respect to a brownfield
14 site, means any investigation of the site determined appro-
15 priate by the President and undertaken pursuant to sec-
16 tion 104(b) of the Comprehensive Environmental Re-
17 sponse, Compensation, and Liability Act of 1980 (42
18 U.S.C. 9604(b)).

19 “(d) PARTICIPATION IN CERTAIN ACTIVITIES RE-
20 QUIRED.—As a condition of the receipt of assistance made
21 available under this section, the Administrator shall re-
22 quire each local development company receiving such as-
23 sistance to require that each small business concern to
24 which the company makes a loan participate in—

1 “(1) a voluntary program for the cleanup of
2 brownfield sites carried out by the State in which
3 the brownfield site for which the loan is made is lo-
4 cated; or

5 “(2) other activities, approved by such State
6 and the Environmental Protection Agency, for the
7 cleanup of brownfield sites.”.

8 **SEC. 114. SENSE OF CONGRESS REGARDING RISK.**

9 It is the sense of Congress that—

10 (1) loans made to support activities related to
11 the cleanup and redevelopment of brownfield sites
12 may involve a greater degree of risk than loans
13 made for other purposes;

14 (2) the public good that can be achieved
15 through the cleanup and redevelopment of
16 brownfield sites justifies the making of such loans
17 despite the potential for increased risk; and

18 (3) in carrying out this subtitle, the Adminis-
19 trator of the Small Business Administration should
20 not fail to make assistance available for the cleanup
21 and redevelopment of brownfield sites merely be-
22 cause of such potential for increased risk.

1 **TITLE II—REDEVELOPMENT OF**
2 **BROWNFIELD SITES**
3 **THROUGH ECONOMIC DEVEL-**
4 **OPMENT ADMINISTRATION**
5 **PROGRAMS**

6 **SEC. 201. PURPOSES.**

7 Consistent with section 2 of the Public Works and
8 Economic Development Act of 1965 (42 U.S.C. 3121), the
9 purposes of this title are—

10 (1) to provide targeted assistance, including
11 planning assistance, for projects that promote the
12 redevelopment, restoration, and economic recovery of
13 brownfield sites; and

14 (2) through such assistance, to further the
15 goals of restoring the employment and tax bases of,
16 and bringing new income and private investment to,
17 distressed communities that have not participated
18 fully in the economic growth of the United States
19 because of a lack of an adequate private sector tax
20 base to support essential public services and facili-
21 ties.

22 **SEC. 202. DEFINITIONS.**

23 Section 3 of the Public Works and Economic Devel-
24 opment Act of 1965 (42 U.S.C. 3122) is amended—

1 (1) by redesignating paragraphs (1) through
2 (10) as paragraphs (2) through (11), respectively;

3 (2) by inserting before paragraph (2) (as so re-
4 designated) the following:

5 “(1) BROWNFIELD SITE.—The term ‘brownfield
6 site’ has the meaning given such term in section 4
7 of the Brownfields Redevelopment Incentives Act.”;
8 and

9 (3) by adding at the end the following:

10 “(12) UNUSED LAND.—The term ‘unused land’
11 means any publicly-owned or privately-owned un-
12 used, underused, or abandoned land that is not con-
13 tributing to the quality of life or economic well-being
14 of the community in which the land is located.”.

15 **SEC. 203. COORDINATION.**

16 Section 103 of the Public Works and Economic De-
17 velopment Act of 1965 (42 U.S.C. 3z132) is amended—

18 (1) by inserting “(a) COMPREHENSIVE ECO-
19 NOMIC DEVELOPMENT STRATEGIES.—” before “The
20 Secretary”; and

21 (2) by adding at the end the following:

22 “(b) BROWNFIELD SITE REDEVELOPMENT.—The
23 Secretary shall coordinate activities relating to the redevel-
24 opment of brownfield sites under this Act with other Fed-
25 eral agencies, States, local governments, consortia of local

1 governments, Indian tribes, nonprofit organizations, and
2 public-private partnerships.”.

3 **SEC. 204. GRANTS FOR BROWNFIELD SITE REDEVELOP-**
4 **MENT.**

5 (a) IN GENERAL.—Title II of the Public Works and
6 Economic Development Act of 1965 (42 U.S.C. 3141 et
7 seq.) is amended—

8 (1) by redesignating sections 210 through 213
9 as sections 211 through 214, respectively; and

10 (2) by inserting after section 209 the following:

11 **“SEC. 210. GRANTS FOR BROWNFIELD SITE REDEVELOP-**
12 **MENT.**

13 “(a) IN GENERAL.—On the application of an eligible
14 recipient, the Secretary may make grants for projects to
15 alleviate or prevent conditions of excessive unemployment,
16 underemployment, blight, and infrastructure deterioration
17 associated with brownfield sites, including projects con-
18 sisting of—

19 “(1) development of public facilities;

20 “(2) development of public services;

21 “(3) business development (including funding of
22 a revolving loan fund);

23 “(4) planning;

24 “(5) technical assistance; and

25 “(6) training.

1 “(b) CRITERIA FOR GRANTS.—The Secretary may
2 provide a grant for a project under this section only if—

3 “(1) the Secretary determines that the project
4 will assist the area where the project is or will be lo-
5 cated to meet, directly or indirectly, a special need
6 arising from—

7 “(A) a high level of unemployment or
8 underemployment, or a high proportion of low-
9 income households;

10 “(B) the existence of blight and infrastruc-
11 ture deterioration;

12 “(C) dislocations resulting from commer-
13 cial or industrial restructuring;

14 “(D) outmigration and population loss, as
15 indicated by—

16 “(i)(I) depletion of human capital (in-
17 cluding young, skilled, or educated popu-
18 lations);

19 “(II) depletion of financial capital (in-
20 cluding firms and investment); or

21 “(III) a shrinking tax base; and

22 “(ii) resulting—

23 “(I) fiscal pressure;

24 “(II) restricted access to mar-
25 kets; and

1 “(III) constrained local develop-
2 ment potential; or

3 “(E) the closure or realignment of—

4 “(i) a military or Department of En-
5 ergy installation; or

6 “(ii) any other Federal facility; and

7 “(2) except in the case of a project consisting
8 of planning or technical assistance—

9 “(A) the Secretary has approved a com-
10 prehensive economic development strategy for
11 the area where the project is or will be located;
12 and

13 “(B) the project is consistent with the
14 comprehensive economic development strategy.

15 “(c) PARTICULAR COMMUNITY ASSISTANCE.—Assist-
16 ance under this section may include assistance provided
17 for activities identified by a community, the economy of
18 which is injured by the existence of 1 or more brownfield
19 sites, to assist the community in—

20 “(1) revitalizing affected areas by—

21 “(A) diversifying the economy of the com-
22 munity; or

23 “(B) carrying out industrial or commercial
24 (including mixed use) redevelopment projects on

1 brownfield sites or sites adjacent to brownfield
2 sites;

3 “(2) carrying out development that conserves
4 environmental and agricultural resources by—

5 “(A) reusing existing facilities and infra-
6 structure;

7 “(B) reclaiming unused land and aban-
8 doned buildings; or

9 “(C) creating publicly owned parks, play-
10 grounds, recreational facilities, or cultural cen-
11 ters that contribute to the economic revitaliza-
12 tion of a community; or

13 “(3) carrying out a collaborative economic de-
14 velopment planning process, developed with broad-
15 based and diverse community participation, that ad-
16 dresses the economic repercussions and opportunities
17 posed by the existence of brownfield sites in an area.

18 “(d) DIRECT EXPENDITURE OR REDISTRIBUTION BY
19 ELIGIBLE RECIPIENT.—

20 “(1) IN GENERAL.—Subject to paragraph (2),
21 an eligible recipient of a grant under this section
22 may directly expend the grant funds or may redis-
23 tribute the funds to public and private entities in the
24 form of a grant, loan, loan guarantee, payment to

1 reduce interest on a loan guarantee, or other appro-
2 priate assistance.

3 “(2) LIMITATION.—Under paragraph (1), an el-
4 igible recipient may not provide any grant to a pri-
5 vate for-profit entity.”.

6 (b) CONFORMING AMENDMENT.—The table of con-
7 tents in section 1(b) of the Public Works and Economic
8 Development Act of 1965 (42 U.S.C. prec. 3121) is
9 amended by striking the items relating to sections 210
10 through 213 and inserting the following:

“Sec. 210. Grants for brownfield site redevelopment.

“Sec. 211. Changed project circumstances.

“Sec. 212. Use of funds in projects constructed under projected cost.

“Sec. 213. Reports by recipients.

“Sec. 214. Prohibition on use of funds for attorney’s and consultant’s fees.”.

11 **SEC. 205. AUTHORIZATION OF APPROPRIATIONS.**

12 (a) IN GENERAL.—Title VII of the Public Works and
13 Economic Development Act of 1965 (42 U.S.C. 3231 et
14 seq.) is amended by adding at the end the following:

15 **“SEC. 704. AUTHORIZATION OF APPROPRIATIONS FOR**
16 **BROWNFIELD SITE REDEVELOPMENT.**

17 “(a) IN GENERAL.—In addition to amounts made
18 available under section 701, there are authorized to be ap-
19 propriated to carry out section 210 \$60,000,000 for each
20 of fiscal years 2002 through 2007. Such sums shall re-
21 main available until expended.

22 “(b) FEDERAL SHARE.—Notwithstanding section
23 204, subject to section 205, the Federal share of the cost

1 of activities funded with amounts made available under
2 subsection (a) shall be not more than 75 percent.”.

3 (b) CONFORMING AMENDMENT.—The table of con-
4 tents in section 1(b) of the Public Works and Economic
5 Development Act of 1965 (42 U.S.C. prec. 3121) is
6 amended by adding at the end of the items relating to
7 title VII the following:

“Sec. 704. Authorization of appropriations for brownfield site redevelopment.”.

8 **TITLE III—TAX INCENTIVES**
9 **RELATING TO BROWNFIELDS**

10 **SEC. 301. ENVIRONMENTAL REMEDIATION TAX CREDIT.**

11 (a) GENERAL RULE.—Part IV of subchapter A of
12 chapter 1 of the Internal Revenue Code of 1986 (relating
13 to credits allowable) is amended by adding at the end
14 thereof the following new subpart:

15 **“Subpart H—Environmental Remediation Credit**

“Sec. 54. Amount of environmental remediation credit.

“Sec. 54A. Definitions and special rules.

16 **“SEC. 54. AMOUNT OF ENVIRONMENTAL REMEDIATION**
17 **CREDIT.**

18 “(a) GENERAL RULE.—For purposes of section 38,
19 the environmental remediation credit determined under
20 this section is 50 percent of the costs—

21 “(1) which are paid or incurred by the taxpayer
22 for environmental remediation with respect to any

1 qualified contaminated site which is owned by the
2 taxpayer, and

3 “(2) which are incurred by the taxpayer pursu-
4 ant to an environmental remediation plan for such
5 site which was approved by the Administrator of the
6 Environmental Protection Agency or by the head of
7 any State or local government agency designated by
8 the Administrator to carry out the Administrator’s
9 functions under this subpart with respect to such
10 site.

11 “(b) LIMITATION.—The amount of the credit deter-
12 mined under subsection (a) shall not exceed \$50,000.

13 “(c) REMEDIATION PLAN MUST BE COMPLETED.—

14 “(1) IN GENERAL.—Except as otherwise pro-
15 vided in paragraph (2)—

16 “(A) no environmental remediation credit
17 shall be determined under this section with re-
18 spect to any qualified contaminated site unless
19 the Administrator of the Environmental Protec-
20 tion Agency (or such Administrator’s designee
21 under subsection (a)(2)) certifies the environ-
22 mental remediation plan for such site has been
23 completed, and

24 “(B) if such Administrator (or designee)
25 certifies that such plan has been completed,

1 such credit shall be taken into account under
2 subsection (a) ratably over the 5 taxable year
3 period beginning with the taxable year in which
4 such plan was completed.

5 “(2) SPECIAL RULE WHERE EXTRAORDINARY
6 COST INCREASES.—If—

7 “(A) the taxpayer determines that due to
8 unforeseen circumstances the cost of completing
9 the remediation plan for any qualified contami-
10 nated site exceeds 200 percent of the estimated
11 costs of completing such plan, and

12 “(B) the State or local official admin-
13 istering the remediation credit program agrees
14 with such determination,

15 the taxpayer may cease the implementation of such
16 plan and shall be entitled to an environmental reme-
17 diation credit with respect to costs incurred before
18 such cessation. Such credit shall be taken into ac-
19 count under subsection (a) ratably over the 5-tax-
20 able-year period beginning with the taxable year in
21 which such cessation occurs.

22 “(d) CERTAIN PARTIES NOT ELIGIBLE.—

23 “(1) IN GENERAL.—A taxpayer shall not be eli-
24 gible for any credit determined under this section
25 with respect to any qualified contaminated site if—

1 “(A) at any time on or before the date of
2 the enactment of this subpart, such taxpayer
3 was the owner or operator of any business on
4 such site,

5 “(B) at any time before, on, or after such
6 date of enactment such taxpayer—

7 “(i) had (by contract, agreement, or
8 otherwise) arranged for the disposal or
9 treatment of any hazardous materials at
10 such site or arranged with a transporter
11 for transport for disposal or treatment of
12 any hazardous materials at such site, or

13 “(ii) had accepted any hazardous ma-
14 terials for transport to such site, or

15 “(C) the taxpayer is related to any tax-
16 payer referred to in subparagraph (A) or (B).

17 “(2) EXCEPTIONS.—

18 “(A) ACQUISITION OF BUSINESS OR SITE
19 BY FORECLOSURE, ETC.—Paragraph (1) shall
20 not apply to a taxpayer who became described
21 therein by reason of the acquisition of the busi-
22 ness or site through foreclosure (or the equiva-
23 lent) of a security interest held by the taxpayer
24 or a related party if the taxpayer undertakes to
25 sell or otherwise dispose of such business or site

1 in a reasonably expeditious manner on commer-
2 cially reasonable terms.

3 “(B) USE OF SITE REMEDIATED BY TAX-
4 PAYER.—Subparagraph (B) of paragraph (1)
5 shall not apply to a taxpayer with respect to
6 any site if—

7 “(i) the only actions described in such
8 subparagraph of the taxpayer (or a related
9 person) with respect to such site occur
10 after such taxpayer (or person) carry out
11 an environmental remediation plan for
12 such site (and the completion of such plan
13 is certified under subsection (c)(1)), and

14 “(ii) such actions are part of a bona
15 fide manufacturing process (or other in-
16 dustrial activity at such site) of such tax-
17 payer (or person) which complies with all
18 Federal environmental laws and regula-
19 tions.

20 “(e) QUALIFIED CONTAMINATED SITE.—For pur-
21 poses of this subpart, the term ‘qualified contaminated
22 site’ means any contaminated site if—

23 “(1) the condition of the contaminated site is
24 such that without participation in the environmental

1 remediation credit program redevelopment is un-
2 likely,

3 “(2) there is a strong likelihood of redevelop-
4 ment of the site for industrial or commercial use
5 that will result in creation of jobs and expansion of
6 the tax base, and

7 “(3) environmental remediation and redevelop-
8 ment are likely to be completed within a reasonable
9 period of time.

10 **“SEC. 54A. DEFINITIONS AND SPECIAL RULES.**

11 “(a) CONTAMINATED SITE.—For purposes of this
12 subpart—

13 “(1) IN GENERAL.—The term ‘contaminated
14 site’ means any site if at least 1 of the following en-
15 vironmental conditions is present on such site:

16 “(A) A release or threatened release of any
17 hazardous, toxic, or dangerous substance.

18 “(B) Any storage tanks which contain any
19 hazardous, toxic, or dangerous substance.

20 “(C) Any illegal disposal of solid waste.

21 “(2) HAZARDOUS, TOXIC, OR DANGEROUS SUB-
22 STANCE.—Any substance, waste, or material shall be
23 treated as a hazardous, toxic, or dangerous sub-
24 stance if it is so treated under—

1 “(A) the Comprehensive Environmental
2 Response, Compensation, and Liability Act of
3 1980 (42 U.S.C. 9601 et seq.) as in effect on
4 the date of the enactment of this section, or

5 “(B) the Solid Waste Disposal Act (42
6 U.S.C. 6901 et seq.) as so in effect.

7 The following materials shall in any event be treated
8 as such a substance: petroleum or crude oil or any
9 derivative thereof, friable asbestos or any asbestos
10 containing material, polychlorinated biphenyls, and
11 lead paint.

12 “(b) ENVIRONMENTAL REMEDIATION.—For pur-
13 poses of this subpart, the term ‘environmental remedi-
14 ation’ means—

15 “(1) removal or remediation activity in accord-
16 ance with the plan approved under section 54(a)(2),

17 “(2) restoration of natural, historic or cultural
18 resources at the site, or the mitigation of unavoi-
19 dable losses of such resources incurred in connection
20 with the remediation or response activity,

21 “(3) health assessments or health effects stud-
22 ies related to the site,

23 “(4) remediation of off-site contamination
24 caused by activity on the site (other than remedi-

1 ation activities of a type not permitted for the site),
2 and

3 “(5) any other costs specified in the plan ap-
4 proved under section 54(a)(2), including demolition
5 of existing contaminated structures, site security,
6 permit fees necessary for remediation, and environ-
7 mental audits.

8 “(c) RELATED PERSON.—For purposes of this sub-
9 part, persons shall be treated as related to each other if
10 such persons are treated as a single employer under the
11 regulations prescribed under section 52(b) or such persons
12 bear a relationship to each other specified in section
13 267(b) or 707(b).

14 “(d) COORDINATION WITH EXPENSING OF ENVIRON-
15 MENTAL REMEDIATION COSTS.—The costs taken into ac-
16 count under section 54(a) do not include any costs for
17 which an election is in effect under section 198.”.

18 (b) CREDIT MADE PART OF GENERAL BUSINESS
19 CREDIT.—Subsection (b) of section 38 of such Code is
20 amended by striking “plus” at the end of paragraph (12),
21 by striking the period at the end of paragraph (13) and
22 inserting “, plus”, and by adding at the end thereof the
23 following new paragraph:

24 “(14) the environmental remediation credit
25 under section 54(a).”.

1 (c) LIMITATION ON CARRYBACK.—Subsection (d) of
2 section 39 of such Code is amended by adding at the end
3 thereof the following new paragraph:

4 “(10) NO CARRYBACK OF ENVIRONMENTAL RE-
5 MEDICATION CREDIT BEFORE EFFECTIVE DATE.—No
6 portion of the unused business credit for any taxable
7 year which is attributable to the credit under section
8 54 may be carried back to a taxable year beginning
9 on or before the date of the enactment of section
10 54.”.

11 (d) DEDUCTION FOR UNUSED CREDIT.—Subsection
12 (c) of section 196 of such Code is amended by striking
13 “and” at the end of paragraph (8), by striking the period
14 at the end of paragraph (9) and inserting “, and”, and
15 by adding at the end thereof the following new paragraph:

16 “(10) the environmental remediation credit de-
17 termined under section 54.”.

18 (e) CLERICAL AMENDMENT.—The table of subparts
19 for part IV of subchapter A of chapter 1 of such Code
20 is amended by adding at the end thereof the following new
21 item:

 “Subpart H. Environmental remediation credit.”.

22 (f) EFFECTIVE DATE.—The amendments made by
23 this section shall apply to taxable years beginning after
24 the date of the enactment of this Act.

1 **SEC. 302. BROWNFIELDS IRA.**

2 (a) IN GENERAL.—Subpart C of part II of sub-
3 chapter E of chapter 1 of the Internal Revenue Code of
4 1986 is amended by inserting after section 468B the fol-
5 lowing new section:

6 **“SEC. 468C. SPECIAL RULES FOR HAZARDOUS WASTE RE-**
7 **MEDIATION RESERVES.**

8 “(a) IN GENERAL.—There shall be allowed as a de-
9 duction for any taxable year the amount of payments
10 made by the taxpayer to a Hazardous Waste Remediation
11 Reserve (hereinafter referred to as the ‘Reserve’) during
12 such taxable year.

13 “(b) LIMITATION ON AMOUNTS PAID INTO RE-
14 SERVE.—The amount which a taxpayer may pay into the
15 Reserve for any taxable year shall not exceed the lesser
16 of—

17 “(1) \$1,000,000, or

18 “(2) the excess (if any) of \$1,000,000 over the
19 amount paid into the Reserve for all prior taxable
20 years.

21 “(c) INCOME AND DEDUCTIONS OF THE TAX-
22 PAYER.—

23 “(1) INCLUSION OF AMOUNTS DISTRIBUTED.—

24 There shall be includible in the gross income of the
25 taxpayer for any taxable year—

1 “(A) any amount distributed from the Re-
2 serve during such taxable year, and

3 “(B) any deemed distribution under sub-
4 section (e).

5 “(2) DEDUCTION WHEN ECONOMIC PERFORM-
6 ANCE OCCURS.—In addition to any deduction under
7 subsection (a), there shall be allowable as a deduc-
8 tion for any taxable year the amount of the qualified
9 hazardous waste costs with respect to which eco-
10 nomic performance (within the meaning of section
11 461(h)(2)) occurs during such taxable year.

12 “(d) HAZARDOUS WASTE REMEDIATION RESERVE.—

13 “(1) IN GENERAL.—For purposes of this sec-
14 tion, the term ‘Hazardous Waste Remediation Re-
15 serve’ means a reserve established by the taxpayer
16 for purposes of this section.

17 “(2) RESERVE EXEMPT FROM TAXATION.—Any
18 Hazardous Waste Remediation Reserve is exempt
19 from taxation under this subtitle unless such Re-
20 serve has ceased to be a Hazardous Waste Remedi-
21 ation Reserve by reason of subsection (e). Notwith-
22 standing the preceding sentence, any such Reserve
23 shall be subject to the taxes imposed by section 511
24 (relating to imposition of tax on unrelated business
25 income of charitable, etc. organizations).

1 “(3) CONTRIBUTIONS TO RESERVE.—The Re-
2 serve shall not accept any payments (or other
3 amounts) other than payments with respect to which
4 a deduction is allowable under subsection (a).

5 “(4) USE OF RESERVE.—The Reserve shall be
6 used exclusively to pay the qualified hazardous waste
7 costs of the taxpayer.

8 “(5) PROHIBITIONS AGAINST SELF-DEALING.—
9 Under regulations prescribed by the Secretary, for
10 purposes of section 4951 (and so much of this title
11 as relates to such section), the Reserve shall be
12 treated in the same manner as a trust described in
13 section 501(c)(21).

14 “(e) DEEMED DISTRIBUTIONS.—

15 “(1) DISQUALIFICATION OF RESERVE FOR
16 SELF-DEALING.—In any case in which a Reserve vio-
17 lates any provision of this section or section 4951,
18 the Secretary may disqualify such Reserve from the
19 application of this section. In any case to which this
20 paragraph applies, the Reserve shall be treated as
21 having distributed all of its funds on the date such
22 determination takes effect.

23 “(2) FAILURE TO SPEND FUNDS.—A Reserve
24 shall be treated as having distributed all of its
25 funds—

1 “(A) on the date which is 10 years after
2 the date such Reserve was established unless,
3 as of such date—

4 “(i) it has been determined that some
5 property of the taxpayer is contaminated
6 with hazardous waste, and

7 “(ii) a remediation plan has been pre-
8 pared for such site, and

9 “(B) except as otherwise provided by the
10 Secretary, on the date which is 10 years after
11 the date such Reserve was established unless,
12 as of such date, it is reasonably anticipated that
13 the remaining funds in the Reserve will be dis-
14 tributed before the date which is 15 years after
15 the date such Reserve was established.

16 “(f) PENALTY FOR DISTRIBUTIONS NOT USED FOR
17 QUALIFIED HAZARDOUS WASTE COSTS.—The tax im-
18 posed by this chapter for any taxable year in which any
19 amount distributed from a Reserve is not used exclusively
20 to pay qualified hazardous waste costs shall be increased
21 by 10 percent of such amount.

22 “(g) QUALIFIED HAZARDOUS WASTE COSTS.—For
23 purposes of this section, the term ‘qualified hazardous
24 waste costs’ means—

1 “(1) the costs paid or incurred by the taxpayer
2 in connection with the assessment of—

3 “(A) the extent of the environmental con-
4 tamination of a site which is owned by the tax-
5 payer, and

6 “(B) the expected cost of environmental
7 remediation required for such site, and

8 “(2) the costs paid or incurred by the taxpayer
9 to remediate such contamination.

10 “(h) CONTROLLED GROUPS.—All persons treated as
11 a single employer under subsection (a) or (b) of section
12 52 shall be treated as one person for purposes of sub-
13 section (b), and the dollar amount contained in such sub-
14 section shall be allocated among such persons in such
15 manner as the Secretary shall prescribe.

16 “(i) TIME WHEN PAYMENTS DEEMED MADE.—For
17 purposes of this section, a taxpayer shall be deemed to
18 have made a payment to the Reserve on the last day of
19 a taxable year if such payment is made on account of such
20 taxable year and is made within 2½ months after the close
21 of such taxable year.”.

22 (b) CLERICAL AMENDMENT.—The table of sections
23 for subpart C of part II of subchapter E of chapter 1 of
24 such Code is amended by inserting after the item relating
25 to section 468B the following new item:

“Sec. 468C. Special rules for hazardous waste remediation reserves.”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 the date of the enactment of this Act.

4 **SEC. 303. EXCLUSION OF INTEREST RECEIVED ON INDEBT-**
5 **EDNESS INCURRED FOR ENVIRONMENTAL**
6 **REMEDATION.**

7 (a) GENERAL RULE.—Part III of subchapter B of
8 chapter 1 of the Internal Revenue Code of 1986 (relating
9 to items specifically excluded from gross income) is
10 amended by redesignating section 139 as section 139A
11 and by inserting after section 138 the following new sec-
12 tion:

13 **“SEC. 139. EXCLUSION OF INTEREST RECEIVED ON INDEBT-**
14 **EDNESS INCURRED FOR ENVIRONMENTAL**
15 **REMEDATION.**

16 “(a) GENERAL RULE.—In the case of a financial in-
17 stitution, gross income does not include amounts received
18 as interest on indebtedness incurred for environmental re-
19 mediation with respect to any qualified contaminated site.

20 “(b) LIMITATION.—The amount excluded under sub-
21 section (a) for a taxable year shall not exceed \$100,000.

22 “(c) DEFINITIONS.—For purposes of this section—

23 “(1) ENVIRONMENTAL REMEDIATION AND
24 QUALIFIED CONTAMINATED SITE.—The term ‘envi-

1 ronmental remediation’ has the meaning given to
 2 such term in section 54A(b) and the term ‘qualified
 3 contaminated site’ has the meaning given such term
 4 in section 54(d).

5 “(2) FINANCIAL INSTITUTION.—The term ‘fi-
 6 nancial institution’ shall have the meaning given to
 7 such term by section 265(b)(5).”.

8 (b) CLERICAL AMENDMENT.—The table of sections
 9 for Part III of subchapter B of chapter 1 of such Code
 10 is amended by striking the last item and inserting the fol-
 11 lowing new items:

“Sec. 139. Exclusion of interest received on indebtedness incurred
 for environmental remediation.
 “Sec. 139A. Cross references to other Acts.”.

12 (c) EFFECTIVE DATE.—The amendments made by
 13 this section shall apply to taxable years beginning after
 14 the date of the enactment of this Act.

15 **SEC. 304. EXPENSING OF ENVIRONMENTAL REMEDIATION**
 16 **COSTS.**

17 (a) DEDUCTION MADE PERMANENT.—Section 198 of
 18 the Internal Revenue Code of 1986 (relating to expensing
 19 of environmental remediation costs) is amended by strik-
 20 ing subsection (h).

21 (b) SITE SUBJECT TO LONG-TERM LEASE.—Para-
 22 graph (1) of section 198(c) of such Code (defining quali-
 23 fied contaminated site) is amended by adding at the end
 24 the following new subparagraph:

1 “(D) LONG-TERM LEASE.—An area shall
2 not fail to be described in subparagraph (A)(i)
3 solely because such area is subject to a lease
4 the term of which is not less than 30 years and
5 the lessee of which is the taxpayer.”.

6 (c) EFFECTIVE DATE.—The amendments made by
7 this section shall apply to taxable years beginning after
8 the date of the enactment of this Act.

9 **SEC. 305. CREDIT FOR ENVIRONMENTAL REMEDIATION**
10 **TECHNOLOGY RESEARCH.**

11 (a) IN GENERAL.—Subsection (a) of section 41 of the
12 Internal Revenue Code of 1986 (relating to general rule
13 for credit for increasing research activities) is amended by
14 striking “and” at the end of paragraph (1), by striking
15 the period at the end of paragraph (2) and inserting “,
16 and”, and by inserting after paragraph (2) the following
17 new paragraph:

18 “(3) 20 percent of the environmental research
19 remediation technology expenses.”.

20 (b) ENVIRONMENTAL RESEARCH REMEDIATION
21 TECHNOLOGY EXPENSES.—Section 41 of such Code is
22 amended by redesignating subsections (f), (g), and (h) as
23 subsections (g), (h), and (i), respectively, and by inserting
24 after subsection (e) the following new subsection:

1 “(f) ENVIRONMENTAL RESEARCH REMEDIATION
2 TECHNOLOGY EXPENSES.—For purposes of subsection
3 (a)(3)—

4 “(1) The term ‘environmental research remedi-
5 ation technology expenses’ means amounts paid or
6 incurred—

7 “(A) for research described in paragraph
8 (2) with respect to which expenditures may be
9 treated as an expense under section 174, or

10 “(B) for equipment which is used in re-
11 search described in paragraph (2) and which is
12 chargeable to property of a character which is
13 subject to the allowance for depreciation under
14 section 167 (relating to allowance for deprecia-
15 tion).

16 “(2) RESEARCH.—For purposes of paragraph
17 (1), research is described in this paragraph if such
18 research addresses the reduction of any hazardous,
19 toxic, or dangerous substance on a contaminated
20 site.

21 “(3) DEFINITIONS.—For purposes of this sub-
22 section, the terms ‘hazardous, toxic, or dangerous
23 substance’ and ‘contaminated site’ shall have the
24 meaning given to such terms by section 54A(a).

1 “(4) DOUBLE BENEFIT.—Amounts taken into
2 account under this subsection shall not be taken into
3 account under any other provision of this section.”.

4 (c) CONFORMING AMENDMENTS.—

5 (1) Paragraphs (2) and (4)(B) of section 41(b)
6 of such Code are each amended by striking “sub-
7 section (f)(1)” and inserting “subsection (g)(1)”.

8 (2) Section 41(g)(1)(B) of such Code is amend-
9 ed by striking “and basic research payments” and
10 inserting “, basic research payments, and environ-
11 mental research remediation technology expenses”.

12 (3) Section 45C(d)(3) of such Code is amended
13 by striking “section 41(f)” and inserting “section
14 41(g)”.

15 (4) Paragraphs (1)(C) and (9)(C)(i) of section
16 197(f) of such Code are each amended by striking
17 “section 41(f)(1)” and inserting “section 41(g)(1)”.

18 (5) Section 280C(b)(3) of such Code is
19 amended—

20 (A) by striking “section 41(f)(5)” and in-
21 serting “section 41(g)(5)”,

22 (B) by striking “section 41(f)(1)(B)” and
23 inserting “section 41(g)(1)(B)”, and

24 (C) by striking “section 41(f)(1)” and in-
25 serting “section 41(g)(1)”.

1 (6) Section 936 of such Code is amended—

2 (A) in subsection (h)(5)(C)(i)(IV)(e) by
3 striking “section 41(f)” and inserting “section
4 41(g)”, and

5 (B) in subsection (j)(5)(D) by striking
6 “section 41(f)(3)” and inserting “section
7 41(g)(3)”.

8 (d) EFFECTIVE DATE.—The amendments made by
9 this section shall apply to amounts paid or incurred after
10 the date of the enactment of this Act.

○