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(Original Signature of Member)

119TH CONGRESS

1ST SESSION

H. R.

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To amend the Internal Revenue Code of 1986 to allow an investment credit for certain domestic infant formula manufacturing projects and to allow a domestic production credit for certain infant formula.

IN THE HOUSE OF REPRESENTATIVES

Mr. NUNN of Iowa introduced the following bill; which was referred to the
Committee on **IIIIIIIIIIII**

A BILL

To amend the Internal Revenue Code of 1986 to allow an investment credit for certain domestic infant formula manufacturing projects and to allow a domestic production credit for certain infant formula.

*1 Be it enacted by the Senate and House of Representa2 tives
of the United States of America in Congress assembled,*

3 SECTION 1. SHORT TITLE.

**4 This Act may be cited as the “Infant Formula Made 5 in
America Act of 2025”.**

1 **SEC. 2. DOMESTIC INFANT FORMULA**
 MANUFACTURING IN-

2 **VESTMENT CREDIT.**

3 (a) IN GENERAL.—Subpart E of part IV of sub-
4 chapter A of chapter 1 of the Internal Revenue
 Code of

5 1986 is amended by inserting after section 48E
 the following new section:

7 **“SEC. 48F. DOMESTIC INFANT FORMULA**
 MANUFACTURING

8 **INVESTMENT CREDIT.**

9 “(a) IN GENERAL.—For purposes of section
 46, in

10 the case of an eligible taxpayer, the domestic
 infant formula manufacturing credit for
 any taxable year is an

12 amount equal to 30 percent of the qualified investment
13 for such taxable year.

14 “(b) QUALIFIED INVESTMENT.—

15 “(1) IN GENERAL.—For purposes of this sec-
16 tion, the qualified investment for any taxable year
 is

17 the basis of eligible property placed in service by
 the

18 taxpayer during such taxable year which is part of
19 a qualifying infant formula manufacturing
project.

20 “(2) CERTAIN QUALIFIED PROGRESS EXPENDITURES RULES
MADE APPLICABLE.—Rules similar to
22 the rules of subsections (c)(4) and (d) of section 46 23
(as in effect on the day before the enactment of the
24 Revenue Reconciliation Act of 1990) shall apply for 25
purposes of this section.

1 “(3) LIMITATION.—The amount which is treat² ed as the
qualified investment for all taxable years

3 with respect to any qualifying infant formula manu-
4 facturing project shall not exceed the amount des⁵
ignated by the Secretary as eligible for the credit.

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

7 “(1) ELIGIBLE TAXPAYER.— 8 “(A) IN GENERAL.—For
purposes of this 9 section, the term ‘eligible taxpayer’
means a

10 taxpayer if such taxpayer’s total global revenue
11 for the calendar year that precedes the calendar

12 year in which the taxpayer submits an applica13
tion under subsection (d)(1)(A) does not exceed
14 \$750,000,000.

15 “(B) AGGREGATION RULES.—For purposes
16 of this paragraph, all persons which are
treated 17 as a single employer under
subsections (a) and

18 (b) of section 52 shall be treated as a single
19 taxpayer.

20 “(2) QUALIFYING INFANT FORMULA MANUFAC-
21 TURING PROJECT.—The term ‘qualifying infant for22 mula
manufacturing project’ means a project, any
23 portion of the qualified investment of which is cer-
24 tified by the Secretary under subsection (d) as eligi-
25 ble for a credit under this section, which re-equips,

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expands, or establishes a facility for the manufacture of eligible infant formula.

“(3) ELIGIBLE PROPERTY.—The term ‘eligible

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property’ means any property—

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“(A) which is necessary for the manufac-

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ture of eligible infant formula,

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“(B) which is—

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“(i) tangible personal property, or

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“(ii) other tangible property (not in-

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cluding a building or its structural components), but only if such property is used as

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an integral part of a facility described in

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paragraph (2), and

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“(C) with respect to which depreciation (or

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amortization in lieu of depreciation) is allow-

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able.

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“(4) ELIGIBLE INFANT FORMULA.—The term

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‘eligible infant formula’ means infant formula that—

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19 “(A) may lawfully be sold in the United States, and 20

21 “(B) is manufactured in the United States.

22 “(d) CERTIFICATION.— 23 “(1)

IN GENERAL.—

24 “(A) ESTABLISHMENT.—Not later than

25 180 days after the date of the enactment of this

section, the Secretary shall establish a qualifying infant formula manufacturing project program to consider and award certifications for qualified investments eligible for credits under this section to qualifying infant formula manufacturing projects.

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“(B) APPLICATION PERIOD.—Each appli-

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cant for certification under this paragraph

shall 9 submit an application—

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“(i) certifying that not less than 50

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11 percent of the eligible infant formula
man¹² ufactured using the eligible
property to ¹³ which such application
relates during the
14 1-year period beginning on the date on
15 which the qualifying infant formula manu¹⁶
facturing project is placed in service shall
17 be sold for use in the United States, and
18 “(ii) containing such information as ¹⁹ the
Secretary shall require.

20 “(C) TIME TO MEET CRITERIA FOR CER-
21 TIFICATION.—Each applicant for certification ²² shall have 1
year from the date of acceptance ²³ by the Secretary of the
application during
24 which to provide to the Secretary evidence that

the requirements of the certification have been
met.

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“(D) PERIOD OF ISSUANCE.—An applicant 4 which receives a
certification shall have 3 years

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from the date of issuance of the certification in

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order to place the project in service and if such

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project is not placed in service by that time pe8

riod, then the certification shall no longer be

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valid.

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“(2) LIMITATIONS.—

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“(A) PROJECT AMOUNT.—The amount of

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credit that may be allocated under paragraph

13 (1) shall not exceed \$150,000,000.

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“(B) AGGREGATE AMOUNT.—The total

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amount of credits that may be allocated under

16 paragraph (1) shall not exceed

\$750,000,000.

17 “(C) SUNSET.—The Secretary may not al18 locate any credit

dollar amount with respect to 19 any project that commences

construction after

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the date that is 10 years after the date of the

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enactment of this section.

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“(3) REVIEW AND REDISTRIBUTION.— 23 “(A)

REVIEW.—Not later than 4 years

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after the date of enactment of this section, the

Secretary shall review the credits allocated under
this section as of such date.

“(B) REDISTRIBUTION.—The Secretary

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may reallocate credits awarded under
this sec-

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tion if the Secretary determines that—

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“(i) there is an insufficient quantity

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of qualifying applications for

certification 8 pending at the time of the

review, or

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“(ii) any certification made pursuant

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to paragraph (1) has been revoked

pursuant to paragraph (1)(B) because

the

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project subject to the certification has been

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13 delayed as a result of third party opposi14
tion or litigation to the proposed project.

15 “(C) REALLOCATION.—If the Secretary de16 termines that
credits under this section are

17 available for reallocation pursuant to the re18 quirements set
forth in subparagraph (B), the

19 Secretary is authorized to conduct an additional 20 program
for applications for certification.

21 “(4) DISCLOSURE OF ALLOCATIONS.—The Sec-
22 retary shall, upon making a certification under this
23 subsection, publicly disclose the identity of the appli24
cant and the amount of the credit with respect to 25 such
applicant.

“(e) RECAPTURE.—

“(1) IN GENERAL.—If during the recapture period
there is a recapture event, then the tax imposed

4 by this chapter for the taxable year in which
such

5 recapture period ends shall be increased by
the sum

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of—

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“(A) the aggregate decrease in the credits

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allowed to the taxpayer under section 38 for

all 9 prior taxable years which would have

resulted if

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no credit had been determined under this sec-

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tion with respect to the qualifying infant for

mula manufacturing project, plus

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“(B) interest at the underpayment rate es-

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tablished under section 6621 on the amount

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each

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prior taxable year for the period beginning on

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the due date for filing the return for the prior

taxable year involved.

19 “(2) RECAPTURE EVENT.—For purposes of this

20 subsection, the term ‘recapture event’ means—

21 “(A) a failure by the taxpayer to meet the

22 requirements of the certification made by the

23 taxpayer under subsection (d)(1)(A)(i), or

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“(B) any property with respect to which an

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allocation was made under this section ceases to

be eligible property which is part of a qualifying infant formula manufacturing project.

“(3) RECAPTURE PERIOD.—For purposes of 4 this subsection, the term ‘recapture period’ means

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the 1-year period beginning on the date on which a

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qualifying infant formula manufacturing project

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with respect to which an allocation is made under 8 this section is placed in service.

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“(4) NO DEDUCTION FOR INTEREST.—No de-

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duction shall be allowed under this chapter for inter-

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est described in paragraph (1)(B).

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“(5) SPECIAL RULES.—

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“(A) TAX BENEFIT RULE.—The tax for

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the taxable year shall be increased under paragraph (1) only with respect to credits allowed

16 by reason of this section which were used to re17 duce tax

liability. In the case of credits not so

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18 used to reduce tax liability, the carryforwards

19 and carrybacks under section 39 shall be appro20

priately adjusted.

21 “(B) NO CREDITS AGAINST TAX.—Any in-

22 crease in tax under this subsection shall not be 23 treated as a

tax imposed by this chapter for

24 purposes of determining the amount of any

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credit under this chapter or for purposes of section
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“(f) COORDINATION WITH REHABILITATION CREDIT.—

The qualified investment with respect to any quali-

5 fying infant formula manufacturing project for any tax6 able
year shall not include that portion of the basis of any

7 project which is attributable to qualified rehabilitation ex8
penditures (as defined in section 47(c)(2)).

9 “(g) REGULATIONS.—The Secretary shall issue such

10 regulations or other guidance as may be necessary or ap-

11 propriate to carry out the purposes of this section,
includ12 ing regulations providing for the appropriate
conversion

13 of quantities of liquid concentrate eligible infant formula 14
to pounds of dry eligible formula.”.

15 (b) INCLUSION IN INVESTMENT CREDIT.—Section 46 16 of such
Code is amended in paragraph (6) by striking

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17 “and”, in paragraph (7) by striking the period and insert
18 ing “, and”, and by adding at the end the following new
19 paragraph:

20 “(8) the domestic infant formula manufacturing
21 investment credit.”.

22 (c) CREDIT MADE TRANSFERABLE.—Section
23 6418(f)(1) of such Code is amended by adding at the end the
following new clause:

“(xii) The domestic infant formula
manufacturing investment credit determined
under section 48F.”.

4 (d) ELECTIVE PAYMENT OF CREDIT.—Section
5 6417(b) of such Code is amended by adding at the end 6 the
following new paragraph:

7 “(13) The domestic infant formula manufac8 turing
investment credit determined under section

9 48F.”.

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10 (e) CERTAIN NONRECOURSE FINANCING EXCLUDED 11
FROM CREDIT BASE.—Section 49(a)(1)(C) of such Code
12 is amended by striking “and” at the end of clause
(vii),

13 by striking the period at the end of clause (viii) and insert
14 ing “, and”, and by adding at the end the following new
15 clause:

16 “(ix) the basis of any eligible property
17 (as defined in section 48F(c)(3)) which
is
18 part of a qualifying infant formula
19 manu19 facturing project under section
48F.”.

20 (f) CLERICAL AMENDMENT.—The table of sections 21 for
subpart E of part IV of subchapter A of chapter 1
22 of such Code is amended by inserting after the item
relat-

23 ing to section 48E the following new item:

“Sec. 48F. Domestic infant formula manufacturing investment credit.”.

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24 (g) EFFECTIVE DATE.—The amendments made by
25 this section shall apply to projects the construction of

which commences after the date of the enactment of this
Act.

SEC. 3. INFANT FORMULA PRODUCTION CREDIT.

4 (a) IN GENERAL.—Subpart D of part IV of sub-
5 chapter A of the Internal Revenue Code of 1986 is amend-
6 ed by adding at the end the following new section:

7 “SEC. 45BB. INFANT FORMULA PRODUCTION CREDIT.

8 “(a) IN GENERAL.—In the case of a qualified tax⁹ payer,
for purposes of section 38, the infant formula pro¹⁰ duction
credit for any taxable year is an amount equal

11 to the product of—

12 “(1) the amount in pounds (determined con¹³ sistent with
regulations issued under section 48F(g)

14 with respect to liquid concentrate) of eligible
infant

15 formula manufactured by such taxpayer and sold
for

16 use in the United States during such taxable year,

17 multiplied by

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18 “(2) \$2.

19 “(b) QUALIFIED TAXPAYER.—For purposes of this
20 section, the term ‘qualified taxpayer’ means, with
respect 21 to a taxable year—

22 “(1) a taxpayer if such taxpayer’s total global
23 revenue for the preceding taxable year does not
exceed \$750,000,000, or

“(2) a taxpayer to whom a credit was allowed
under this section in the preceding taxable year.

“(c) ELIGIBLE INFANT FORMULA DEFINED.—For
4 purposes of this section, the term ‘eligible infant
formula’
5 has the meaning given such term in section 48F.

6 “(d) LIMITATIONS.—

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7 “(1) MAXIMUM AMOUNT OF FORMULA.—For
8 purposes of determining the amount of the credit 9 under
subsection (a), the amount of eligible infant
10 formula determined under subsection (a) with re11 spect to
any taxable year shall not exceed 12 18,000,000 pounds.

13 “(2) 5-YEAR LIMITATION.—No credit shall be
14 allowed under subsection (a) to a taxpayer for a
tax-

15 able year unless—

16 “(A) no credit has been allowed to such 17
taxpayer in any prior taxable year, or

18 “(B) such taxable year occurs during the 5
19 taxable year period beginning on the first day
20 of the first taxable year for which a credit was
21 allowed under subsection (a) to such
taxpayer.

22 “(e) AGGREGATION RULES.—For purposes of this
23 section, all persons which are treated as a single
employer

24 under subsections (a) and (b) of section 52 shall be
treated 25 as a single taxpayer.

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“(f) COORDINATION WITH INVESTMENT CREDIT.—

Infant formula produced at a facility with respect to which a credit was allowed under section 48F shall not be taken into account for purposes of subsection (a).”.

5 (b) CREDIT MADE TRANSFERABLE.—Section

6 6418(f)(1) of such Code (as amended by section 2) is

7 amended by adding at the end the following new clause:

8 “(xiii) The infant formula production 9 credit determined
under section 45BB.”.

10 (c) ELECTIVE PAYMENT OF CREDIT.—Section

11 6417(b) of such Code (as amended by section 2) is amend

12 ed by adding at the end the following new paragraph: 13 “(14)

The infant formula production credit de14 termined under
section 45BB.”.

15 (d) CREDIT ALLOWED AS PART OF GENERAL BUSI-

16 NESS CREDIT.—Section 38(b) of such Code is amended

17 by striking “plus” at the end of paragraph (40), by strik

18 ing the period at the end of paragraph (41) and inserting

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19 “, plus”, and by adding at the end the following new paragraph:
graph:

21 “(42) the infant formula production credit determined
under section 45BB(a).”.

23 (e) CLERICAL AMENDMENT.—The table of sections
for subpart D of part IV of subchapter A of the Internal

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Revenue Code of 1986 is amended by adding at the end the following new item:

“Sec. 45BB. Infant formula production credit.”.

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(f) EFFECTIVE DATE.—The amendments made by

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this section shall apply to formula manufactured after the 5 date of the enactment of this Act.

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