

106TH CONGRESS
2D SESSION

S. 2436

To amend the Internal Revenue Code of 1986 to repeal the targeted area limitation on the expense deduction for environmental remediation costs and to extend the termination date of such deduction.

IN THE SENATE OF THE UNITED STATES

APRIL 13, 2000

Mr. ABRAHAM introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to repeal the targeted area limitation on the expense deduction for environmental remediation costs and to extend the termination date of such deduction.

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. MODIFICATIONS TO EXPENSING OF ENVIRON-**
4 **MENTAL REMEDIATION COSTS.**

5 (a) EXPENSING NOT LIMITED TO SITES IN TAR-
6 GETED AREAS.—Subsection (c) of section 198 of the In-
7 ternal Revenue Code of 1986 is amended to read as fol-
8 lows:

1 “(c) QUALIFIED CONTAMINATED SITE.—For pur-
2 poses of this section—

3 “(1) IN GENERAL.—The term ‘qualified con-
4 taminated site’ means any area—

5 “(A) which is held by the taxpayer for use
6 in a trade or business or for the production of
7 income, or which is property described in sec-
8 tion 1221(a)(1) in the hands of the taxpayer,
9 and

10 “(B) at or on which there has been a re-
11 lease (or threat of release) or disposal of any
12 hazardous substance.

13 “(2) NATIONAL PRIORITIES LISTED SITES NOT
14 INCLUDED.—Such term shall not include any site
15 which is on, or proposed for, the national priorities
16 list under section 105(a)(8)(B) of the Comprehen-
17 sive Environmental Response, Compensation, and
18 Liability Act of 1980 (as in effect on the date of the
19 enactment of this section).

20 “(3) TAXPAYER MUST RECEIVE STATEMENT
21 FROM STATE ENVIRONMENTAL AGENCY.—An area
22 shall be treated as a qualified contaminated site with
23 respect to expenditures paid or incurred during any
24 taxable year only if the taxpayer receives a state-
25 ment from the appropriate agency of the State in

1 which such area is located that such area meets the
2 requirement of paragraph (1)(B).

3 “(4) APPROPRIATE STATE AGENCY.—For pur-
4 poses of paragraph (2), the chief executive officer of
5 each State may, in consultation with the Adminis-
6 trator of the Environmental Protection Agency, des-
7 ignate the appropriate State environmental agency
8 within 60 days of the date of the enactment of this
9 section. If the chief executive officer of a State has
10 not designated an appropriate environmental agency
11 within such 60-day period, the appropriate environ-
12 mental agency for such State shall be designated by
13 the Administrator of the Environmental Protection
14 Agency.”

15 (b) EXTENSION OF TERMINATION DATE.—Sub-
16 section (h) of section 198 of such Code is amended by
17 striking “December 31, 2001” and inserting “June 30,
18 2004”.

19 (c) EFFECTIVE DATE.—The amendments made by
20 this section shall apply to expenditures paid or incurred
21 after December 31, 2000.

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