

109TH CONGRESS  
1ST SESSION

# S. 398

To amend the Internal Revenue Code of 1986 to expand the expensing  
of environmental remediation costs.

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IN THE SENATE OF THE UNITED STATES

FEBRUARY 16, 2005

Mr. SANTORUM (for himself and Mr. BAYH) introduced the following bill;  
which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to expand  
the expensing of environmental remediation costs.

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. EXPANSION OF EXPENSING OF ENVIRON-**  
4       **MENTAL REMEDIATION COSTS.**

5       (a) PROVISION MADE PERMANENT.—Section 198 of  
6       the Internal Revenue Code of 1986 (relating to expensing  
7       of environmental remediation costs) is amended by strik-  
8       ing subsection (h).

9       (b) EXPANSION OF ELIGIBLE CONTAMINATES.—

11 (A) by inserting “or toxic” after “haz-  
12 ardous” in the matter preceding subparagraph  
13 (A),

14 (B) by striking “and” at the end of sub-  
15 paragraph (A),

16 (C) by striking the period at the end of  
17 subparagraph (B) and inserting a comma, and

18 (D) by adding at the end the following new  
19 subparagraphs:

24                             “(D) any oil (as defined in section  
25                             1001(23) of the Oil Pollution Act of 1990).”.

(A) Paragraphs (1) and (2) of section 198(b) of such Code are each amended by inserting “or toxic” after “hazardous”.

5 (B) Section 198(d)(2) of such Code is  
6 amended by striking “of such Act” and all that  
7 follows and inserting “of the Comprehensive  
8 Environmental Response, Compensation, and  
9 Liability Act of 1980 by reason of subpara-  
10 graph (A) or (C) of subsection (a)(3) thereof.”.

11 (C) The heading for section 198(d) of such  
12 Code is amended by inserting “OR TOXIC” after  
13 “HAZARDOUS”.

14 (c) ELIMINATION OF RECAPTURE ON SALE.—Section  
15 198 of the Internal Revenue Code of 1986 is amended by  
16 striking subsection (e) and by redesignating subsections  
17 (f) and (g) as subsections (e) and (f), respectively.

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

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