

109TH CONGRESS
1ST SESSION

S. 398

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

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

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.—

1 (1) IN GENERAL.—Section 198(c)(1)(B) of the
 2 Internal Revenue Code of 1986 (defining qualified
 3 contaminated site) is amended by striking “haz-
 4 ardous substance” and inserting “hazardous or toxic
 5 substance, or in which is located 1 or more struc-
 6 tures in which such substance is found or of which
 7 such substance is a part”.

8 (2) HAZARDOUS OR TOXIC SUBSTANCE.—Sec-
 9 tion 198(d)(1) of such Code (defining hazardous
 10 substance) is amended—

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:

20 “(C) any substance which is listed as an
 21 extremely hazardous substance under section
 22 302(a) of the Emergency Planning and Com-
 23 munity Right-to-Know Act of 1986, and

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

1 (3) CONFORMING AMENDMENTS.—

2 (A) Paragraphs (1) and (2) of section
3 198(b) of such Code are each amended by in-
4 serting “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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