117TH CONGRESS
2D SESSION

H. R.

To provide incentives for the domestic production of printed circuit boards, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Ms. Eshoo introduced the following bill; which was referred to the Committee on

A BILL

To provide incentives for the domestic production of printed circuit boards, and for other purposes.

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 “Supporting American
5 Printed Circuit Boards Act of 2022”.
SEC. 2. TAX CREDIT FOR THE PURCHASE OR ACQUISITION
OF PRINTED CIRCUIT BOARDS MANUFACTURED IN THE UNITED STATES.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after section 45L the following new section:

"SEC. 45M. CREDIT FOR THE PURCHASE OR ACQUISITION
OF PRINTED CIRCUIT BOARDS MANUFACTURED IN THE UNITED STATES.

"(a) IN GENERAL.—For the purposes of section 38, the credit determined under this section for the taxable year is an amount equal to 25 percent of the cost paid or incurred by the taxpayer for the purchase or acquisition of printed circuit boards manufactured in the United States for the taxable year.

"(b) DEFINITIONS.—For the purposes of this section—

“(1) PRINTED CIRCUIT BOARD.—The term ‘printed circuit board’ has the meaning given such term in section 3(a) of the Supporting American Printed Circuit Boards Act of 2022.

“(2) MANUFACTURED.—The term ‘manufactured’ means all substantial actions involved in the printing of a printed circuit board from raw mate-
rials to the integration of the completed board into an end item or component of an end item.

“(c) REGULATIONS AND GUIDANCE.—The Secretary shall, in consultation with the Secretary of Commerce, promulgate such regulations and guidance as may be necessary or appropriate to carry out this section.”.

(b) CONFORMING AMENDMENT.—

(1) IN GENERAL.—The table of sections for subpart D of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 45L the following new item:

“Sec. 45M. Credit for the purchase or acquisition of printed circuit boards manufactured in the United States.”.

(2) GENERAL BUSINESS CREDIT.—Section 38(b) of the Internal Revenue Code of 1986 is amended—

(A) in paragraph (32), by striking “plus”;

(B) in paragraph (33), by striking the period at the end and inserting “, plus”; and

(C) by adding at the end the following new paragraph:

“(34) the credit for the purchase or acquisition of printed circuit boards manufactured in the United States determined under section 45M.”.
(c) Effective Date.—The amendments made by this section shall apply to amounts paid or incurred after December 31, 2021.

SEC. 3. INCENTIVES FOR PRINTED CIRCUIT BOARD MANUFACTURING AND RESEARCH AND DEVELOPMENT.

(a) Definitions.—In this section:

(1) Circuit board.—The term “circuit board” means a piece of insulating material on which electrical components are mounted and interconnected by etched copper foil so patterned as to form a circuit.

(2) Covered entity.—The term “covered entity” means a private entity, a consortium of private entities, or a consortium of public and private entities with the ability to substantially finance, construct, expand, or modernize a facility relating to manufacturing or research and development of printed circuit boards.

(3) Covered incentive.—The term “covered incentive” means—

(A) an incentive used for the purposes of constructing, expanding, or modernizing a facility described in paragraph (2) that will be located in the United States; and
(B) a workforce-related incentive (including an agreement to provide grants for workforce training or vocational education), any concession with respect to real property, funding for research and development with respect to printed circuit boards, and any other incentive determined by the Secretary, in consultation with the Secretary of State, to be appropriate and related to encouraging investment in facilities and equipment in the United States for manufacturing or research and development of printed circuit boards.

(4) ECONOMICALLY DISADVANTAGED INDIVIDUAL.—The term “economically disadvantaged individual” means an individual described in section 8(a)(6)(A) of the Small Business Act (15 U.S.C. 637(a)(6)(A)).

(6) Historically Black College or University.—The term “historically Black college or university” has the meaning given the term “part B institution” in section 322 of the Higher Education Act of 1965 (20 U.S.C. 1061).

(7) Institution of Higher Education.—The term “institution of higher education” has the meaning given such term in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001).

(8) Integrated Circuit Substrate.—The term “integrated circuit substrate” means the supporting material upon or within which an integrated circuit is fabricated or to which an integrated circuit is attached.

(9) Intelligence Community.—The term “intelligence community” has the meaning given that term in section 3 of the National Security Act of 1947 (50 U.S.C. 3003).

(10) Minority-owned Business and Women-owned Business.—The terms “minority-owned business” and “women-owned business” have the meanings given such terms in section 704B(h) of the Equal Credit Opportunity Act (15 U.S.C. 1691e-2(h)).
(11) MINORITY-SERVING INSTITUTION.—The term “minority-serving institution” means any of the following:

(A) An Alaska Native-serving institution (as that term is defined in section 317(b) of the Higher Education Act of 1965 (20 U.S.C. 1059d(b))).

(B) A Native Hawaiian-serving institution (as that term is defined in section 317(b) of such Act (20 U.S.C. 1059d(b))).

(C) A Predominantly Black institution (as that term is defined in section 371(c) of such Act (20 U.S.C. 1067q(c))).

(D) An Asian American and Native American Pacific Islander-serving institution (as that term is defined in section 320(b) of such Act (20 U.S.C. 1059g(b))).

(E) A Native American-serving, nontribal institution (as that term is defined in section 319(b) of such Act (20 U.S.C. 1059f(b))).

(12) PERSON.—The term “person” means an individual or entity.

(13) PRINTED CIRCUIT BOARD.—The term “printed circuit board” means a circuit board on which a pattern of copper foil connecting the compo-
ments has been etched or printed, including boards
with printed circuits on both sides and boards with
printed circuits on one side only, for the mounting
of components on which most connections are made
by printed circuitry.

(14) PROGRAM.—The term “Program” means
the program established under subsection (b)(1).

(15) SECRETARY.—The term “Secretary”
means the Secretary of Commerce.

(16) SMALL BUSINESS.—The term “small busi-
ness” has the meaning given the term “small busi-
ness concern” under section 3(a) of the Small Busi-
ness Act (15 U.S.C. 632(a)), except that section
121.103 of title 13, Code of Federal Regulations (or
any successor regulation) shall not apply.

(17) STATE.—The term “State” means each
State of the United States, the District of Columbia,
each commonwealth, territory, or possession of the
United States, and each federally recognized Indian
Tribe.

(18) VETERAN-OWNED BUSINESS.—The term
“veteran-owned business” has the meaning given the
term “small business concern owned and controlled
by veterans” in section 3(q) of the Small Business
Act (15 U.S.C. 632(q)).
(b) Financial Assistance Program.—

(1) In general.—The Secretary shall establish a program that, in accordance with the requirements of this section and subject to the availability of appropriations for such purposes, provides Federal financial assistance to covered entities to incentivize investment in facilities and equipment in the United States for manufacturing or research and development of printed circuit boards.

(2) Procedure.—

(A) In general.—A covered entity shall submit to the Secretary an application that describes the project for which the covered entity is seeking financial assistance under the Program.

(B) Eligibility.—Except as provided in subparagraph (C), in order for a covered entity to qualify for financial assistance under the Program, the covered entity shall demonstrate to the Secretary, in the application submitted by the covered entity under subparagraph (A), that—

(i) the covered entity has a documented interest in carrying out a project that is a covered incentive; and
(ii) with respect to the project described in clause (i), the covered entity has—

(I) a plan the Secretary determines to be executable to sustain the covered incentive described in clause (i) without additional Federal financial assistance under the Program for facility support;

(II) made commitments to worker and community investment, including through—

(aa) training and education benefits provided by or paid for by the covered entity; and

(bb) programs to expand employment opportunity for economically disadvantaged individuals; and

(III) secured commitments from regional educational and training entities, postsecondary vocational institutions (defined in section 102(e) of the Higher Education Act of 1965 (20 U.S.C. 1002(e))), or institutions of
higher education to provide workforce training, including programming for training and job placement of economically disadvantaged individuals.

(C) SMALL BUSINESS EXCEPTION.—The requirements in subclauses (II) and (III) of subparagraph (B)(ii) do not apply to small businesses.

(D) DUE DILIGENCE.—With respect to the review by the Secretary of an application submitted by a covered entity under subparagraph (A), the Secretary may not approve the application unless the Secretary—

(i) confirms that the covered entity has satisfied the applicable eligibility criteria under subparagraph (B); and

(ii) determines that the project to which the application relates is in the interest of the United States.

(E) CONSIDERATIONS FOR REVIEW.—

(i) IN GENERAL.—Except as provided in clause (ii), with respect to the review by the Secretary of an application submitted by a covered entity under subparagraph
(A), the Secretary shall consider whether the covered entity has—

(I) previously received financial assistance under the Program; and

(II) demonstrated that it is responsive to the national security needs or requirements established by the intelligence community (or an agency thereof), the National Nuclear Security Administration, or the Department of Defense.

(ii) SMALL BUSINESSES EXCLUDED.—Clause (i)(I) does not apply with respect to an application submitted by a small business under subparagraph (A).

(F) PREFERENCES.—The Secretary shall, when practicable, give preference with respect to the approval of an application submitted under subparagraph (A) by a covered entity that—

(i) is a small business, minority-owned business, women-owned business, or veteran-owned business;
(ii) expands the United States production capacity of integrated circuit substrates;

(iii) is relocating a manufacturing facility of printed circuit boards currently located in an area owned by, controlled by, or subject to the jurisdiction or direction of a foreign entity of concern; or

(iv) includes a workforce training program that secures commitments from an institution of higher education that is—

(I) a historically Black college or university;

(II) a Hispanic-serving institution (as such term is defined in section 502(a) of the Higher Education Act of 1965 (20 U.S.C. 1101a(a)));

(III) a Tribal College or University (as such term is defined in section 316(b) of the Higher Education Act of 1965 (20 U.S.C. 1059c(b)));

(IV) a minority-serving institution; or

(V) a rural-serving institution of higher education (as such term is de-
fined in section 861(b) of the Higher Education Act of 1965 (20 U.S.C. 1161q(b)).

(G) FOREIGN ENTITIES OF CONCERN EXCLUSION.—

(i) The Secretary may not approve an application of a covered entity if the Secretary determines that the covered entity is a foreign entity of concern.

(ii) None of the funds authorized to be appropriated to carry out this subsection may be provided to a foreign entity of concern.

(H) RECORDS PRODUCTION.—

(i) IN GENERAL.—The Secretary may request from a covered entity that submits an application under subparagraph (A) any records and other information that the Secretary determines necessary for the purposes of ascertaining whether an award under the Program will be used for the covered incentive for which such award is sought, including records or other information regarding the status of such project.
(ii) **FUNDING RESTRICTION.**—No covered entity that fails to provide records or information requested by the Secretary under this subparagraph shall be eligible for Federal financial assistance under the Program if such records or information are reasonably available to such covered entity.

(3) **AMOUNT.**—

(A) **IN GENERAL.**—The Secretary shall determine the appropriate amount and funding type for each financial assistance award made to a covered entity under the Program.

(B) **LARGER INVESTMENT.**—The amount awarded under the Program with respect to any individual project may not exceed $150,000,000 unless the Secretary, in consultation with the Secretary of Defense and the Director of National Intelligence, recommends to the President, and the President notifies Congress, that a larger award is necessary to—

   (i) significantly increase the supply of reliable, domestically produced printed circuit boards that are relevant for the national security and economic competitiveness of the United States; and
(ii) meet the needs of national security.

(4) USE OF FUNDS.—

(A) IN GENERAL.—Except as provided by subparagraph (B), a covered entity that receives a financial assistance award under the Program may only use the financial assistance award amounts—

(i) for a covered incentive; and

(ii) to pay reasonable costs related to the operating expenses for such covered incentive, including costs relating to the specialized workforce, essential materials, and complex equipment maintenance, as determined by the Secretary.

(B) LARGER INVESTMENTS.—If the amount awarded under the Program with respect to the project is more than $150,000,000, the covered entity that received such award may use such amounts only for the purposes described in subparagraph (A) to the extent that such use meets the national security needs or enhances the economic competitiveness of the United States.

(5) CLAWBACK.—
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(A) DELAY CLAWBACK.—

(i) TARGET DATES.—With respect to any award made under the Program, the Secretary shall—

(I) determine target dates by which the project with respect to which such award was made shall commence and complete; and

(II) set such dates by the time of the award.

(ii) PROGRESSIVE RECOVERY FOR DELAYS.—If a project is not commenced and completed by the dates determined under clause (i) for such project, the Secretary shall progressively recover from the recipient of the award for such project up to the full amount of such award.

(iii) WAIVER.—In the case of a project that is not commenced or completed by the dates determined under clause (i) for such project, the Secretary may waive elements of the clawback provisions incorporated in the award made under the Program for such project only if,
prior to granting such waiver, the Secretary—

(I) makes a formal determination that circumstances beyond the ability of the covered entity to foresee or control are responsible for delays; and

(II) submits a notice to Congress.

(B) TECHNOLOGY CLAWBACK.—The Secretary may recover the full amount of any award made under the Program from the recipient of the award if, during the period determined under subparagraph (A)(i) for the project with respect to which such award was made, the recipient knowingly engages in any joint research or technology licensing effort with a foreign entity of concern that relates to a technology or product that raises national security concerns, as determined by the Secretary.

(C) NOTIFICATION TO CONGRESS.—

(i) IN GENERAL.—The Secretary shall notify Congress of—

(I) the clawback provisions attending each award described in subparagraph (A)(i); and
(II) each waiver provided under subparagraph (A)(iii) not later than 15 days after the date on which the Secretary provides such waiver.

(ii) Waiver Notice Contents.—The notice required under clause (i)(II) shall include—

(I) the elements of the clawback provisions that were waived under subparagraph (A)(iii);

(II) an explanation of why such waiver was provided;

(III) the duration of the delay with respect to which such waiver was granted; and

(IV) the name of the covered entity that was granted such waiver.

(c) Coordination Required.—In carrying out the Program, the Secretary shall coordinate with—

(1) the Secretary of State;

(2) the Secretary of Defense;

(3) the Secretary of Energy;

(4) the Director of National Intelligence;

(5) the Director of the Minority Business Development Agency of the Department of Commerce;
the Administrator of the Small Business Administration;

(7) the Director of the National Institute of Standards and Technology;

(8) the Director of the Cybersecurity and Infrastructure Agency; and

(9) the Director of the Office of Foreign Assets Control of the Department of the Treasury.

(d) GAO Reviews.—The Comptroller General of the United States shall—

(1) not later than 2 years after the date of disbursement of the first award under the Program, and biennially thereafter for 10 years, conduct a review of the Program, which shall include—

(A) a determination of the number of awards provided under the Program during the two-year period immediately preceding the review;

(B) an evaluation of how—

(i) such program is being carried out, including how recipients of awards under the Program are being selected; and

(ii) other Federal programs are leveraged for manufacturing, research, and
training to complement the awards made under the Program; and

(C) a description of the outcomes of projects supported by awards made under the Program, including a description of—

(i) facilities described in subsection (b)(1) that were constructed, expanded, or modernized as a result of such awards;

(ii) research and development carried out with such awards;

(iii) workforce training programs carried out with such awards, including efforts to hire economically disadvantaged individuals; and

(iv) the effects of such projects on the United States’ share of global printed circuit board production; and

(2) notify Congress of the results of each review conducted under paragraph (1).

(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $3,000,000,000 for fiscal year 2022, to remain available through fiscal year 2023, to carry out this section.