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1ST SESSION

H. R. 1705

To amend the Internal Revenue Code of 1986 to establish a credit for
investments in innovative agricultural technology.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 27, 2025

Mr. KELLY of Pennsylvania (for himself, Mr. THOMPSON of California, Mr. MILLER of Ohio, Mr. PANETTA, Ms. TENNEY, Mr. RILEY of New York, Mr. LAMALFA, Mrs. HAYES, Ms. BYNUM, Mr. MORAN, Mr. VALADAO, and Mr. HARDER of California) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to establish
a credit for investments in innovative agricultural technology.

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 Innovation
5 in Agriculture Act of 2025”.

6 **SEC. 2. CREDIT FOR INVESTMENT IN INNOVATIVE AGRI-**
7 **CULTURAL TECHNOLOGY.**

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

1 1986 is amended by inserting after section 48E the fol-
 2 lowing new section:

3 **“SEC. 48F. INNOVATIVE AGRICULTURAL TECHNOLOGY IN-**
 4 **VESTMENT CREDIT.**

5 “(a) IN GENERAL.—For purposes of section 46, the
 6 innovative agricultural technology investment credit for
 7 any taxable year is an amount equal to 30 percent of the
 8 qualified investment for such taxable year with respect to
 9 any innovative agricultural technology project.

10 “(b) QUALIFIED INVESTMENT.—

11 “(1) IN GENERAL.—For purposes of subsection
 12 (a), the qualified investment with respect to any in-
 13 novative agricultural technology project for any tax-
 14 able year is the basis of any qualified property
 15 placed in service by the taxpayer during such taxable
 16 year which is part of an innovative agricultural tech-
 17 nology project.

18 “(2) QUALIFIED PROPERTY.—For purposes of
 19 this section, the term ‘qualified property’ means
 20 property—

21 “(A) which is—

22 “(i) tangible personal property, wheth-
 23 er or not affixed to real property (including
 24 equipment, systems and their components,
 25 materials, machinery, accessories, and

1 structural components), which is used as
2 an integral part of an innovative agricul-
3 tural technology project, or

4 “(ii) software, a computer system, or
5 similar technology,

6 “(B) with respect to which depreciation (or
7 amortization in lieu of depreciation) is allow-
8 able, and

9 “(C)(i) the construction, reconstruc-
10 tion, or erection of which is completed by
11 the taxpayer, or

12 “(ii) which is acquired by the
13 taxpayer if the original use of such
14 property commences with the tax-
15 payer.

16 “(3) INNOVATIVE AGRICULTURAL TECHNOLOGY
17 PROJECT.—The term ‘innovative agricultural tech-
18 nology project’ means an agricultural technology or
19 system—

20 “(A) which is placed in service before De-
21 cember 31, 2035, and

22 “(B) for which the primary purpose is to
23 produce, store, process, and package specialty
24 crops (as defined in section 3 of the Specialty
25 Crops Competitiveness Act of 2004) using—

1 “(i) precision agriculture, or

2 “(ii) controlled environment agri-
3 culture.

4 “(c) SPECIAL RULES.—

5 “(1) CERTAIN PROCESS EXPENDITURE RULES
6 MADE APPLICABLE.—Rules similar to the rules of
7 subsections (c)(4) and (d) of section 46 (as in effect
8 on the day before the date of the enactment of the
9 Revenue Reconciliation Act of 1990) shall apply for
10 purposes of subsection (a).

11 “(2) DENIAL OF DOUBLE BENEFIT UNDER
12 GRANT PROGRAMS.—Rules similar to the rules of
13 section 48(d) shall apply for purposes of this section
14 with respect to—

15 “(A) any renewable energy system, energy
16 efficiency improvement, or equipment or system
17 purchased, made, or installed using a grant
18 provided under section 9007(c) of the Farm Se-
19 curity and Rural Investment Act of 2002 (7
20 U.S.C. 8107(c)), or

21 “(B) any physical improvement to land
22 made using a payment provided under the envi-
23 ronmental quality incentives program estab-
24 lished under subchapter A of chapter 4 of sub-

1 title D of title XII of the Food Security Act of
2 1985 (16 U.S.C. 3839aa et seq.).

3 “(d) DEFINITIONS.—In this section—

4 “(1) CONTROLLED ENVIRONMENT AGRI-
5 CULTURE.—The term ‘controlled environment agri-
6 culture’ means a closed, indoor agricultural produc-
7 tion system using controlled environment agriculture
8 technology in which the environment and inputs can
9 be controlled throughout the lifecycle of a crop.

10 “(2) CONTROLLED ENVIRONMENT AGRI-
11 CULTURE TECHNOLOGY.—The term ‘controlled envi-
12 ronment agriculture technology’ means any tech-
13 nology (including equipment, systems and their com-
14 ponents, materials, and accessories that are nec-
15 essary for the deployment of such technology) that
16 is required to create, support, and maintain the nec-
17 essary growing environment for plants and directly
18 contributes to the efficient production, harvesting,
19 processing, or packaging of agricultural products
20 and goods, including—

21 “(A) heating, cooling, thermal screening,
22 humidification, dehumidification, and air cir-
23 culation systems,

24 “(B) horticultural lighting systems and
25 glazing materials,

1 “(C) irrigation and water treatment and
2 filtration systems,

3 “(D) nutrient delivery and management,

4 “(E) sensors and vision systems for gath-
5 ering data within a commercial controlled envi-
6 ronment agricultural facility,

7 “(F) software, including data management
8 software, advanced analytics, machine learning
9 systems and artificial intelligence systems, de-
10 signed as part of or sold in connection with con-
11 trolled environment agriculture technology,

12 “(G) robotics, conveyance, and automation
13 systems, including automated storage and re-
14 trieval equipment,

15 “(H) automatic harvesting, seeding, trans-
16 planting, and sanitation systems, and

17 “(I) any other technology, as determined
18 by the Secretary, that contributes to the effi-
19 cient production, harvesting, processing, or
20 packaging of agricultural products and goods in
21 commercial controlled environment agricultural
22 facilities.

23 “(3) PRECISION AGRICULTURE.—The term
24 ‘precision agriculture’ means the use of on-farm pre-
25 cision agriculture technology in—

1 “(A) managing, tracking, or reducing crop
2 production inputs, including seed, land, fer-
3 tilizer, chemicals, water, and time,

4 “(B) optimizing weed, pest, and disease
5 identification,

6 “(C) managing and tracking crop harvest
7 and on-farm storage at a heightened level of
8 spatial and temporal granularity to improve ef-
9 ficiencies, reduce waste, and maintain environ-
10 mental quality, and

11 “(D) improving on-farm water conserva-
12 tion and irrigation efficiency.

13 “(4) PRECISION AGRICULTURE TECHNOLOGY.—
14 The term ‘precision agriculture technology’ means
15 any technology (including equipment that is nec-
16 essary for the deployment of such technology) that
17 directly contributes to a reduction in, or improved
18 efficiency of, inputs used in specialty crop produc-
19 tion, harvesting, and on-farm storage including—

20 “(A) Global Positioning System-based or
21 geospatial mapping,

22 “(B) satellite or aerial imagery,

23 “(C) yield monitors,

24 “(D) soil mapping,

1 “(E) non-chemical weed and pest control
2 technologies, including autonomous laser weed-
3 ers,

4 “(F) vision systems, remote sensors, and
5 temperature and soil moisture monitors,

6 “(G) internet of things and telematics
7 technologies,

8 “(H) software, including data manage-
9 ment, advanced analytics, machine learning,
10 and artificial intelligence systems, designed as
11 part of or sold in connection with other preci-
12 sion agriculture technology,

13 “(I) network connectivity products and so-
14 lutions,

15 “(J) Global Positioning System guidance
16 or auto-steer systems,

17 “(K) variable rate technology for applying
18 inputs, such as section control,

19 “(L) robotics,

20 “(M) uncrewed aircraft systems and
21 uncrewed ground vehicles, and

22 “(N) any other technology, as determined
23 by the Secretary, that leads to a reduction in,
24 or improves efficiency of, inputs used in crop

1 production and harvesting, which may include
 2 seed, fertilizer, chemicals, water, and time.”.

3 (b) ELECTIVE PAYMENT OF CREDIT.—Section 6417
 4 of such Code is amended—

5 (1) in subsection (b), by adding at the end the
 6 following:

7 “(13) The innovative agricultural technology in-
 8 vestment credit under section 48F.”, and

9 (2) in subsection (d)(1)—

10 (A) in subparagraph (E), by striking “(C),
 11 or (D)” each place such term appears and in-
 12 serting “(C), (D), or (E)”,

13 (B) by redesignating subparagraph (E) (as
 14 amended by clause (i)) as subparagraph (F),
 15 and

16 (C) by inserting after subparagraph (D)
 17 the following:

18 “(E) ELECTION WITH RESPECT TO INNO-
 19 VATIVE AGRICULTURAL TECHNOLOGY INVEST-
 20 MENT CREDIT.—If a taxpayer other than an en-
 21 tity described in subparagraph (A) makes an
 22 election under this subparagraph with respect
 23 to any taxable year in which such taxpayer has,
 24 after December 31, 2023, placed in service
 25 qualified property which is part of an innovative

1 agricultural technology project (as defined in
2 section 48F(b)), such taxpayer shall be treated
3 as an applicable entity for purposes of this sec-
4 tion for such taxable year, but only with respect
5 to the credit described in subsection (b)(13).”.

6 (c) TRANSFERABILITY.—Section 6418(f)(1)(A) of
7 such Code is amended by adding at the end the following
8 new clause:

9 “(xii) The innovative agricultural
10 technology investment credit determined
11 under section 48F.”.

12 (d) CONFORMING AMENDMENTS.—

13 (1) Section 46 of such Code is amended—

14 (A) in paragraph (6), by striking “and” at
15 the end,

16 (B) in paragraph (7), by striking the pe-
17 riod at the end and inserting “, and”, and

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

20 “(8) the innovative agricultural technology in-
21 vestment credit.”.

22 (2) Section 49(a)(1)(C) of such Code is amend-
23 ed—

24 (A) in clause (vii), by striking “and” at the
25 end,

1 (B) in clause (viii), by striking the period
2 at the end and inserting “, and”, and

3 (C) by adding at the end the following new
4 clause:

5 “(ix) the basis of any qualified prop-
6 erty which is part of an innovative agricul-
7 tural technology project under section
8 48F.”.

9 (3) Section 50(a)(2)(E) of such Code is amend-
10 ed by striking “or 48E(e)” and inserting “48E(e),
11 or 48F(c)(1)”.

12 (4) The table of sections for subpart E of part
13 IV of subchapter A of chapter 1 of such Code is
14 amended by inserting after the item relating to sec-
15 tion 48E the following new item:

“Sec. 48F. Innovative agricultural technology investment credit.”.

16 (e) EFFECTIVE DATE.—The amendments made by
17 this section shall apply to property the construction of
18 which began after January 1, 2025.

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