

119TH CONGRESS
1ST SESSION

H. R. 3200

To amend the Internal Revenue Code of 1986 to modify the advanced manufacturing credit with respect to the production of battery components.

IN THE HOUSE OF REPRESENTATIVES

MAY 5, 2025

Mr. RUIZ (for himself and Mr. EVANS of Colorado) 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 modify the advanced manufacturing credit with respect to the production of battery components.

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 “Critical Minerals and
5 Manufacturing Support Act”.

6 **SEC. 2. MODIFICATION OF ADVANCED MANUFACTURING**
7 **PRODUCTION CREDIT RELATING TO BAT-**
8 **TERY PRODUCTION.**

9 (a) INCREASE IN CREDIT AMOUNT FOR ELECTRODE
10 ACTIVE MATERIALS.—Section 45X(b)(1)(J) of the Inter-

1 nal Revenue Code of 1986 is amended by striking “10 per-
2 cent” and inserting “25 percent”.

3 (b) SPECIAL RULES RELATING TO PRODUCTION OF
4 ELECTRODE ACTIVE MATERIALS.—Section 45X(b) of
5 such Code is amended by adding at the end the following
6 new paragraph:

7 “(5) SPECIAL RULES RELATING TO ELECTRODE
8 ACTIVE MATERIALS.—

9 “(A) PRODUCTION COSTS.—The produc-
10 tion of electrode active materials shall include
11 the cost of raw materials, including material ex-
12 traction from geological sources or waste prod-
13 ucts.”.

14 (c) SOURCING REQUIREMENTS WITH RESPECT TO
15 QUALIFYING BATTERY COMPONENTS AND APPLICABLE
16 CRITICAL MINERALS.—Section 45X of such Code is
17 amended by adding at the end the following new sub-
18 section:

19 “(e) CRITICAL MINERAL AND BATTERY COMPONENT
20 SOURCING REQUIREMENTS.—

21 “(1) APPLICABLE CRITICAL MINERALS.—

22 “(A) IN GENERAL.—No credit shall be al-
23 lowed under this section with respect to a quali-
24 fying battery component unless the percentage

1 of the value of the applicable critical minerals
2 contained therein that were—

3 “(i) extracted or processed—

4 “(I) in the United States, or

5 “(II) in any country with which
6 the United States has a free trade
7 agreement in effect, or

8 “(ii) recycled, and reintegrated into
9 the supply chain, in North America,
10 is at least equal to the applicable percentage (as
11 certified by the taxpayer in such form or man-
12 ner as prescribed by the Secretary).

13 “(B) APPLICABLE PERCENTAGE.—For
14 purposes of subparagraph (A), the applicable
15 percentage shall be—

16 “(i) in the case of any qualifying bat-
17 tery component sold to an unrelated person
18 during calendar year 2026, 70 percent,
19 and

20 “(ii) in the case of any qualifying bat-
21 tery component sold to an unrelated person
22 after December 31, 2026, 80 percent.

23 “(2) QUALIFYING BATTERY COMPONENTS.—

24 “(A) IN GENERAL.—No credit shall be al-
25 lowed under this section with respect to a quali-

1 fying battery component unless the percentage
2 of the value of the constituent elements, mate-
3 rials, and subcomponents contained therein that
4 were produced, manufactured, or assembled in
5 North America is at least equal to the applica-
6 ble percentage (as certified by the taxpayer, in
7 such form or manner as prescribed by the Sec-
8 retary).

9 “(B) APPLICABLE PERCENTAGE.—For
10 purposes of subparagraph (A), the applicable
11 percentage shall be—

12 “(i) in the case of qualifying battery
13 components sold to an unrelated person
14 during calendar year 2026, 70 percent,

15 “(ii) in the case of qualifying battery
16 components sold to an unrelated person
17 during calendar year 2027, 80 percent,

18 “(iii) in the case of qualifying battery
19 components sold to an unrelated person
20 during calendar year 2028, 90 percent,
21 and

22 “(iv) in the case of qualifying battery
23 components sold to an unrelated person
24 after December 31, 2028, 100 percent.

1 “(3) REGULATIONS.—The Secretary shall, to
2 the extent practicable, prescribe regulations similar
3 to regulations prescribed under section 30D(e) to
4 carry out the purposes of this subsection.”.

5 (d) EXCLUDED ENTITIES.—Section 45X(c)(1) of
6 such Code is amended by adding at the end the following
7 new subparagraph:

8 “(C) EXCLUDED ENTITIES.—The term ‘eli-
9 gible component’ shall not include any quali-
10 fying battery component with respect to
11 which—

12 “(i) any of the applicable critical min-
13 erals contained therein were extracted,
14 processed, or recycled by a foreign entity
15 of concern (as defined in section
16 40207(a)(5) of the Infrastructure Invest-
17 ment and Jobs Act (42 U.S.C.
18 18741(a)(5))), and

19 “(ii) any of the constituent elements,
20 materials, or subcomponents contained
21 therein were produced, manufactured, or
22 assembled by a foreign entity of concern
23 (as so defined).

24 The term ‘foreign entity of concern’ shall in-
25 clude any entity that is directly or indirectly

1 owned by a foreign entity of concern described
2 in subparagraph (C) of section 40207(a)(5) of
3 such Act.”.

4 (e) MODIFICATION OF ELECTRODE ACTIVE MATE-
5 RIAL DEFINITION.—

6 (1) IN GENERAL.—Section 45X(c)(5)(B)(i) of
7 such Code is amended—

8 (A) by inserting “electrode active precursor
9 materials used in the production of cathode and
10 anode materials,” after “anode materials,”

11 (B) by inserting “binders,” after “anode
12 foils,” and

13 (C) by inserting “solid state electrolytes,”
14 after “including”.

15 (2) ELECTRODE ACTIVE PRECURSOR MATE-
16 RIALS.—Section 45X(c)(5)(B)(i) of such Code is
17 amended—

18 (A) by striking “MATERIAL.—The term”
19 and inserting the following: “MATERIAL.—

20 “(I) IN GENERAL.—The term”,
21 and

22 (B) by adding at the end the following new
23 subclause:

24 “(II) ELECTRODE ACTIVE PRE-
25 CURSOR MATERIAL.—The term ‘elec-

1 trode active precursor material’ means
2 any of the following materials which
3 are of a sufficient grade to meet the
4 purity specifications to supply the
5 electrode active materials market: Co-
6 balt sulfate, manganese sulfate, iron
7 sulfate, lithium hydroxide, metallur-
8 gical silicon, phosphoric acid, iron
9 phosphate, nickel manganese cobalt
10 oxide, graphene, sulfur, synthetic or
11 natural graphite pitch, or lithium car-
12 bonate.”.

13 (f) CERTAIN SILICON TREATED AS APPLICABLE
14 CRITICAL MATERIAL.—Section 45X(c)(6) of such Code is
15 amended by redesignating subparagraphs (T) through (Z)
16 as subparagraphs (U) through (AA), respectively, and by
17 inserting after subparagraph (S) the following new sub-
18 paragraph:

19 “(T) SILICON.—Silicon which is silicon or
20 silicon composite used as an electrode active
21 material in battery anodes.”.

22 (g) EFFECTIVE DATE.—The amendments made by
23 this section shall apply to components produced and sold
24 after December 31, 2025.

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