

119TH CONGRESS
1ST SESSION

H. R. 4466

To amend the Internal Revenue Code of 1986 to establish a recycling property investment credit, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 16, 2025

Mr. SUOZZI (for himself and Mr. FITZPATRICK) 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 recycling property investment credit, 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 “Cultivating Investment
5 in Recycling and Circular Local Economies Act of 2025”
6 or the “CIRCLE Act”.

7 **SEC. 2. FINDINGS.**

8 Congress finds the following:

9 (1) The national recycling goal set by the Envi-
10 ronmental Protection Agency is 50 percent by 2030.

1 (2) America’s recycling rate hovers around 30
2 percent.

3 (3) The establishment of a tax credit for invest-
4 ment in existing and new recycling infrastructure
5 would promote recycling by facilitating modernized
6 and upgraded recycling operations and increasing
7 supply of domestically recycled materials.

8 (4) New recycling infrastructure would support
9 responsible end markets by helping to meet signifi-
10 cant demand for domestically sourced recycled mate-
11 rial.

12 (5) Domestic markets face increased competi-
13 tion from international actors who may dump virgin
14 materials or not-verifiably-recycled content in United
15 States markets, undercutting the domestic recycling
16 economy.

17 (6) It is in the best interests of the United
18 States to fully develop our recycling capacities.

19 **SEC. 3. RECYCLING PROPERTY INVESTMENT CREDIT.**

20 (a) IN GENERAL.—Subpart E of part IV of sub-
21 chapter A of chapter 1 of the Internal Revenue Code of
22 1986 is amended by inserting after section 48E the fol-
23 lowing new section:

1 **“SEC. 48F. RECYCLING PROPERTY INVESTMENT CREDIT.**

2 “(a) IN GENERAL.—For purposes of section 46, the
3 recycling property investment credit for any taxable year
4 is an amount equal to 30 percent of the qualified invest-
5 ment for such taxable year.

6 “(b) QUALIFIED INVESTMENT.—

7 “(1) IN GENERAL.—For purposes of subsection
8 (a), the qualified investment for any taxable year is
9 the basis of any eligible property placed in service by
10 the taxpayer during such taxable year.

11 “(2) ELIGIBLE PROPERTY.—For purposes of
12 this section, the term ‘eligible property’ means prop-
13 erty—

14 “(A) which is qualified recycling property,

15 “(B) with respect to which depreciation (or
16 amortization in lieu of depreciation) is allow-
17 able, and

18 “(C)(i) the construction, reconstruction,
19 addition, or erection of which is completed by
20 the taxpayer, or

21 “(ii) which is acquired by the taxpayer if
22 the original use of such property commences
23 with the taxpayer.

24 “(c) SPECIAL RULES.—For purposes of this sec-
25 tion—

1 “(1) CERTAIN PROGRESS EXPENDITURE RULES
2 MADE APPLICABLE.—Rules similar to the rules of
3 subsections (c)(4) and (d) of section 46 (as in effect
4 on the day before the date of the enactment of the
5 Revenue Reconciliation Act of 1990) shall apply.

6 “(2) SPECIAL RULE FOR CERTAIN SUBSIDIZED
7 PROPERTY.—Rules similar to section 45(b)(3) shall
8 apply.

9 “(3) DOMESTIC CONTENT BONUS CREDIT
10 AMOUNT.—

11 “(A) IN GENERAL.—In the case of any
12 qualified investment which satisfies the require-
13 ment under subparagraph (B), the amount of
14 the credit determined under subsection (a) (de-
15 termined without regard to this paragraph be-
16 fore the application of subsection (d) and after
17 the application of any other provision of this
18 section) shall be increased by an amount equal
19 to 10 percentage points of the amount so deter-
20 mined.

21 “(B) REQUIREMENT.—Rules similar to the
22 rules of section 45(b)(9)(B) shall apply.

23 “(4) PHASEOUT FOR ELECTIVE PAYMENT.—In
24 the case of a taxpayer making an election under sec-
25 tion 6417 with respect to a credit under this section,

1 rules similar to the rules of section 45(b)(10) shall
2 apply.

3 “(d) CREDIT PHASE-OUT.—

4 “(1) IN GENERAL.—The amount of the credit
5 determined under subsection (a) with respect to any
6 qualified investment shall be equal to the product
7 of—

8 “(A) the amount of the credit determined
9 under subsection (a) without regard to this sub-
10 section, multiplied by

11 “(B) the phase-out percentage under para-
12 graph (2).

13 “(2) PHASE-OUT PERCENTAGE.—The phase-out
14 percentage under this paragraph is equal to—

15 “(A) in the case of any eligible property
16 with a determination date beginning on or after
17 January 1, 2026, and before December 31,
18 2032, 100 percent,

19 “(B) in the case of any eligible property
20 with a determination date beginning on or after
21 January 1, 2033, and before December 31,
22 2033, 80 percent,

23 “(C) in the case of any eligible property
24 with a determination date beginning on or after

1 January 1, 2034, and before December 31,
2 2034, 60 percent,

3 “(D) in the case of any eligible property
4 with a determination date beginning on or after
5 January 1, 2035, and before December 31,
6 2035, 40 percent,

7 “(E) in the case of any eligible property
8 with a determination date beginning on or after
9 January 1, 2036, and before December 31,
10 2036, 20 percent, and

11 “(F) in the case of any eligible property
12 with a determination date beginning on or after
13 January 1, 2037, 0 percent.

14 “(3) DETERMINATION DATE.—For purposes of
15 paragraph (2), the determination date of an eligible
16 property is—

17 “(A) in the case such property is described
18 in subsection (b)(2)(C)(i), the date on which
19 the construction, reconstruction, addition, or
20 erection of such property begins, and

21 “(B) in any other case, the date on which
22 such property is placed in service.

23 “(e) DENIAL OF DOUBLE BENEFIT.—In the case of
24 any eligible property with respect to which credit is al-
25 lowed under subsection (a)—

1 “(1) no other credit or deduction shall be al-
2 lowed for, or by reason of, such property to the ex-
3 tent of the amount of such credit, and

4 “(2) the basis of such property shall be reduced
5 by the amount of such credit.

6 “(f) REGULATIONS AND GUIDANCE.—The Secretary
7 shall issue such regulations or other guidance as the Sec-
8 retary determines necessary to carry out the purposes of
9 this section, including regulations or other guidance which
10 provides for requirements for recordkeeping or informa-
11 tion reporting for purposes of administering the require-
12 ments of this section.

13 “(g) DEFINITIONS.—For purposes of this section—

14 “(1) QUALIFIED RECYCLING PROPERTY.—The
15 term ‘qualified recycling property’ has the meaning
16 given the term ‘reuse and recycling property’ in sec-
17 tion 168(m)(3)(A).

18 “(2) QUALIFIED REUSE AND RECYCLABLE MA-
19 TERIALS.—The term ‘qualified reuse and recyclable
20 materials’ has the meaning given such term in sec-
21 tion 168(m)(3)(B), except that for purposes of this
22 section such term includes any video display device
23 and any computer device (including computer pe-
24 ripherals, such as keyboards, mice, speakers, cables,
25 printers, and scanners).

1 “(3) RECYCLE.—The term ‘recycle’ has the
2 meaning given such term in section 168(m)(3)(C),
3 except that for purposes of this section such term
4 does not include—

5 “(A) any method of sorting, processing,
6 and aggregating materials from solid waste
7 that—

8 “(i) does not preserve the original
9 quality of such materials, and

10 “(ii) results in the aggregated mate-
11 rial not being usable—

12 “(I) for the initial purpose (or a
13 substantially similar purpose) of such
14 materials, or

15 “(II) as feedstock in lieu of vir-
16 gin feedstock in the production of
17 specification grade commodities, or

18 “(B) the primary use of waste or qualified
19 reuse and recyclable materials—

20 “(i) as a fuel or fuel substitute;

21 “(ii) for the production or generation
22 of energy (including heat and electricity);

23 “(iii) for incineration;

24 “(iv) for alternate operating cover; or

1 “(v) within the footprint of a land-
2 fill.”.

3 (b) CREDIT MADE PART OF INVESTMENT CREDIT.—
4 Section 46 of such Code is amended by striking “and”
5 at the end of paragraph (6), by striking the period at the
6 end of paragraph (7) and inserting “, and”, and by adding
7 at the end the following new paragraph:

8 “(8) the recycling property investment credit.”.

9 (c) CLERICAL AMENDMENT.—The table of sections
10 for subpart E of part IV of subchapter A of chapter 1
11 of such Code is amended by inserting after the item relat-
12 ing to section 48E the following new item:

“48F. Recycling property investment credit.”.

13 (d) EFFECTIVE DATE.—The amendments made by
14 this section shall apply to—

15 (1) in the case of property described in section
16 48F(b)(2)(C)(i) of the Internal Revenue Code of
17 1986 (as added by subsection (a)), property which is
18 constructed, reconstructed, added, or erected after
19 December 31, 2025, and

20 (2) in any other case, property which is placed
21 in service after December 31, 2025.

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