

119TH CONGRESS
1ST SESSION

S. 1480

To amend the Internal Revenue Code of 1986 to provide a credit to issuers of American infrastructure bonds.

IN THE SENATE OF THE UNITED STATES

APRIL 10, 2025

Mr. WICKER (for himself, Mr. BENNET, Mrs. BRITT, and Mrs. HYDE-SMITH) 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 provide a credit to issuers of American infrastructure bonds.

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 “American Infrastruc-
5 ture Bonds Act of 2025”.

6 **SEC. 2. CREDIT FOR AMERICAN INFRASTRUCTURE BONDS**

7 **ALLOWED TO ISSUERS.**

8 (a) IN GENERAL.—Subchapter B of chapter 65 of the
9 Internal Revenue Code of 1986 is amended by inserting
10 after section 6430 the following new section:

1 **“SEC. 6431. CREDIT TO ISSUER OF AMERICAN INFRASTRUC-**
 2 **TURE BONDS.**

3 “(a) IN GENERAL.—The issuer of an American infra-
 4 structure bond shall be allowed a credit with respect to
 5 each interest payment under such bond which shall be pay-
 6 able by the Secretary as provided in subsection (b).

7 “(b) PAYMENT OF CREDIT.—

8 “(1) IN GENERAL.—The Secretary shall pay
 9 (contemporaneously with each interest payment date
 10 under such bond) to the issuer of such bond (or to
 11 any person who makes such interest payments on
 12 behalf of the issuer) 28 percent of the interest pay-
 13 able under such bond on such date.

14 “(2) INTEREST PAYMENT DATE.—For purposes
 15 of this subsection, the term ‘interest payment date’
 16 means each date on which the holder of record of
 17 the American infrastructure bond is entitled to a
 18 payment of interest under such bond.

19 “(c) AMERICAN INFRASTRUCTURE BOND.—

20 “(1) IN GENERAL.—For purposes of this sec-
 21 tion, the term ‘American infrastructure bond’ means
 22 any obligation if—

23 “(A) the interest on such obligation would
 24 (but for this section) be excludable from gross
 25 income under section 103,

1 “(B) the obligation is not a private activity
2 bond, and

3 “(C) the issuer makes an irrevocable elec-
4 tion to have this section apply.

5 “(2) APPLICABLE RULES.—For purposes of ap-
6 plying paragraph (1)—

7 “(A) for purposes of section 149(b), a
8 bond shall not be treated as federally guaran-
9 teed by reason of the credit allowed under this
10 section, and

11 “(B) a bond shall not be treated as an
12 American infrastructure bond if the issue price
13 has more than a de minimis amount (deter-
14 mined under rules similar to the rules of section
15 1273(a)(3)) of premium over the stated prin-
16 cipal amount of the bond.

17 “(d) SPECIAL RULES.—

18 “(1) INTEREST ON AMERICAN INFRASTRUC-
19 TURE BONDS INCLUDIBLE IN GROSS INCOME FOR
20 FEDERAL INCOME TAX PURPOSES.—For purposes of
21 this title, interest on any American infrastructure
22 bond shall be includible in gross income.

23 “(2) APPLICATION OF ARBITRAGE RULES.—For
24 purposes of section 148, the yield on an issue of
25 American infrastructure bonds shall be reduced by

1 the credit allowed under this section, except that no
 2 such reduction shall apply with respect to deter-
 3 mining the amount of gross proceeds of an issue
 4 that qualifies as a reasonably required reserve or re-
 5 placement fund.

6 “(e) REGULATIONS.—The Secretary may prescribe
 7 such regulations and other guidance as may be necessary
 8 or appropriate to carry out this section.”.

9 (b) CONFORMING AMENDMENTS.—

10 (1) The table of sections for subchapter B of
 11 chapter 65 of subtitle F of the Internal Revenue
 12 Code of 1986 is amended by adding at the end the
 13 following new item:

“Sec. 6431. Credit to issuer of american infrastructure bonds.”.

14 (2) Subparagraph (A) of section 6211(b)(4) of
 15 such Code is amended by inserting “6431,” after
 16 “6428B,”.

17 (c) TRANSITIONAL COORDINATION WITH STATE
 18 LAW.—Except as otherwise provided by a State after the
 19 date of the enactment of this Act, the interest on any
 20 American infrastructure bond (as defined in section 6431
 21 of the Internal Revenue Code of 1986 (as added by this
 22 Act)) and the amount of any credit determined under such
 23 section with respect to such bond shall be treated for pur-
 24 poses of the income tax laws of such State as being exempt
 25 from Federal income tax.

1 (d) ADJUSTMENT TO PAYMENT TO ISSUERS IN CASE
2 OF SEQUESTRATION.—

3 (1) IN GENERAL.—In the case of any payment
4 under subsection (b) of section 6431 of the Internal
5 Revenue Code of 1986 (as added by this Act) made
6 after the date of enactment of this Act to which se-
7 questration applies, the amount of such payment
8 shall be increased to an amount equal to—

9 (A) such payment (determined before such
10 sequestration), multiplied by

11 (B) the quotient obtained by dividing the
12 number 1 by the amount by which the number
13 1 exceeds the percentage reduction in such pay-
14 ment pursuant to such sequestration.

15 (2) SEQUESTRATION.—For purposes of this
16 subsection, the term “sequestration” means any re-
17 duction in direct spending ordered in accordance
18 with a sequestration report prepared by the Director
19 of the Office and Management and Budget pursuant
20 to the Balanced Budget and Emergency Deficit Con-
21 trol Act of 1985 or the Statutory Pay-As-You-Go
22 Act of 2010 or future legislation having similar ef-
23 fect.

1 (e) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to obligations issued after the date
3 of enactment of this Act.

