

***In the Senate of the United States,***

*July 27, 2022.*

*Resolved*, That the Senate agree to the amendment of the House to the amendment of the Senate to the bill (H.R. 4346) entitled “An Act making appropriations for Legislative Branch for the fiscal year ending September 30, 2022, and for other purposes.”, do pass with the following

**SENATE AMENDMENT TO HOUSE AMENDMENT TO  
SENATE AMENDMENT:**

In lieu of the matter proposed to be inserted by the amendment of the House to the amendment of the Senate, insert the following:

**1 SECTION 1. TABLE OF CONTENTS.**

**2** *The table of contents for this Act is as follows:*

*Sec. 1. Table of contents.*

*Sec. 2. References.*

*DIVISION A—CHIPS ACT OF 2022*

*Sec. 101. Short title.*

*Sec. 102. Creating helpful incentives to produce semiconductors (CHIPS) for America fund.*

*Sec. 103. Semiconductor incentives.*

*Sec. 104. Opportunity and inclusion.*

*Sec. 105. Additional GAO reporting requirements.*

*Sec. 106. Appropriations for wireless supply chain innovation.*

*Sec. 107. Advanced manufacturing investment credit.*

*DIVISION B—RESEARCH AND INNOVATION*

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*Sec. 10002. Definitions.*  
*Sec. 10003. Budgetary effects.*

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*Sec. 10102. Basic energy sciences program.*  
*Sec. 10103. Biological and environmental research.*  
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*Sec. 10105. Fusion energy research.*  
*Sec. 10106. High energy physics program.*  
*Sec. 10107. Nuclear physics program.*  
*Sec. 10108. Science laboratories infrastructure program.*  
*Sec. 10109. Accelerator research and development.*  
*Sec. 10110. Isotope research, development, and production.*  
*Sec. 10111. Increased collaboration with teachers and scientists.*  
*Sec. 10112. High intensity laser research initiative; helium conservation program; Office of Science emerging biological threat preparedness research initiative; midscale instrumentation and research equipment program; authorization of appropriations.*  
*Sec. 10113. Established program to stimulate competitive research.*  
*Sec. 10114. Research security.*

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- Sec. 10211. Authorization of appropriations.*

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- Sec. 10221. Engineering biology and biometrology.*  
*Sec. 10222. Greenhouse gas measurement research.*  
*Sec. 10223. NIST authority for cybersecurity and privacy activities.*  
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*Sec. 10235. Dr. David Satcher Cybersecurity Education Grant Program.*

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*Sec. 10242. Other transactions authority.*

- Sec. 10243. Report to Congress on collaborations with government agencies.*
- Sec. 10244. Hiring critical technical experts.*
- Sec. 10245. International standards development.*
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- Sec. 10252. Update to Hollings Manufacturing Extension Partnership.*
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- Sec. 10261. Supporting geographic diversity.*
- Sec. 10262. Expanding opportunities through the Manufacturing USA Program.*
- Sec. 10263. Promoting domestic production of technologies developed under Manufacturing USA Program.*

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1 **SEC. 2. REFERENCES.**

2 *Except as expressly provided otherwise, any reference*  
 3 *to “this Act” contained in any division of this Act shall*  
 4 *be treated as referring only to the provisions of that divi-*  
 5 *sion.*

6 ***DIVISION A—CHIPS ACT OF 2022***

7 **SEC. 101. SHORT TITLE.**

8 *This division may be cited as the “CHIPS Act of*  
 9 *2022”.*

10 **SEC. 102. CREATING HELPFUL INCENTIVES TO PRODUCE**  
 11 ***SEMICONDUCTORS (CHIPS) FOR AMERICA***  
 12 ***FUND.***

13 *(a) CHIPS FOR AMERICA FUND.—*

14 *(1) ESTABLISHMENT.—There is established in*  
 15 *the Treasury of the United States a fund to be known*  
 16 *as the “Creating Helpful Incentives to Produce Semi-*

1 *conductors (CHIPS) for America Fund” (referred to*  
2 *in this subsection as the “Fund”) for the Secretary of*  
3 *Commerce to carry out sections 9902, 9904, and 9906*  
4 *of the William M. (Mac) Thornberry National Defense*  
5 *Authorization Act for Fiscal Year 2021 (15 U.S.C.*  
6 *4652, 4654, and 4656; Public Law 116–283).*  
7 *Amounts in the Fund to carry out sections 9904 and*  
8 *9906 of Public Law 116–283 shall be transferred to*  
9 *and merged with accounts within the Department of*  
10 *Commerce to be used for such purposes, except that*  
11 *amounts transferred to carry out section 9904 of Pub-*  
12 *lic Law 116–283 shall remain available until Sep-*  
13 *tember 30, 2025.*

14 (2) *APPROPRIATION.—*

15 (A) *In addition to amounts otherwise avail-*  
16 *able for such purposes, there is appropriated to*  
17 *the Fund established in subsection (a)(1), out of*  
18 *amounts in the Treasury not otherwise appro-*  
19 *priated—*

20 (i) *for fiscal year 2022,*  
21 *\$24,000,000,000, to remain available until*  
22 *expended, of which \$19,000,000,000 shall be*  
23 *for section 9902 of Public Law 116–283,*  
24 *\$2,000,000,000 shall be for subsection (c) of*  
25 *section 9906 of Public Law 116–283,*

1           \$2,500,000,000 shall be for subsection (d) of  
2           section 9906 of Public Law 116–283, and  
3           \$500,000,000 shall be for subsections (e) and  
4           (f) of section 9906 of Public Law 116–283;  
5           (ii) for fiscal year 2023,  
6           \$7,000,000,000 to remain available until  
7           expended, of which \$5,000,000,000 shall be  
8           for section 9902 of Public Law 116–283 and  
9           \$2,000,000,000 shall be for subsections (c),  
10          (d), (e), and (f) of section 9906 of Public  
11          Law 116–283;  
12          (iii) for fiscal year 2024,  
13          \$6,300,000,000, to remain available until  
14          expended, of which \$5,000,000,000 shall be  
15          for section 9902 of Public Law 116–283 and  
16          \$1,300,000,000 shall be for subsections (c),  
17          (d), (e), and (f) of section 9906 of Public  
18          Law 116–283;  
19          (iv) for fiscal year 2025,  
20          \$6,100,000,000, to remain available until  
21          expended, of which \$5,000,000,000 shall be  
22          for section 9902 of Public Law 116–283 and  
23          \$1,100,000,000 shall be for subsections (c),  
24          (d), (e), and (f) of section 9906 of Public  
25          Law 116–283; and

1                   (v) for fiscal year 2026,  
2                   \$6,600,000,000, to remain available until  
3                   expended, of which \$5,000,000,000 shall be  
4                   for section 9902 of Public Law 116– 283  
5                   and \$1,600,000,000 shall be for subsections  
6                   (c), (d), (e), and (f) of section 9906 of Pub-  
7                   lic Law 116–283.

8                   (B) *DIRECT LOANS AND LOAN GUARAN-*  
9                   *TEES.—The Secretary of Commerce may use—*

10                   (i) up to \$6,000,000,000 of the  
11                   amounts made available for fiscal year 2022  
12                   for section 9902 of Public Law 116–283 for  
13                   the cost of direct loans and loan guarantees,  
14                   as authorized by section 9902 of Public Law  
15                   116–283, provided that—

16                   (I) such costs, including the cost  
17                   of modifying such loans and loan guar-  
18                   antees shall be as defined in section  
19                   502 of the Congressional Budget Act of  
20                   1974; and

21                   (II) these funds are available to  
22                   subsidize gross obligations for the prin-  
23                   cipal amount of direct loans and total  
24                   loan principal, any part of which is to

1                   *be guaranteed, not to exceed*  
2                   *\$75,000,000,000;*

3                   *(ii) up to 2 percent of the amounts*  
4                   *made available in each fiscal year for sala-*  
5                   *ries and expenses, administration, and over-*  
6                   *sight purposes to carry out sections 9902*  
7                   *and 9906 of Public Law 116–283, of which*  
8                   *\$5,000,000 in each of fiscal years 2022*  
9                   *through 2026 shall be transferred to the Of-*  
10                  *ice of Inspector General of the Department*  
11                  *of Commerce to oversee expenditures from*  
12                  *the Fund; and*

13                  *(iii) up to \$2,300,000 of the amounts*  
14                  *made available in fiscal year 2022 to carry*  
15                  *out section 9904 of Public Law 116–283.*

16                  (3) *ASSISTANCE FOR MATURE TECHNOLOGY*  
17                  *NODES.—Of the amount available in fiscal year 2022*  
18                  *to implement section 9902 of the William M. (Mac)*  
19                  *Thornberry National Defense Authorization Act for*  
20                  *Fiscal Year 2021 (15 U.S.C. 4652), \$2,000,000,000*  
21                  *shall be to provide Federal financial assistance to cov-*  
22                  *ered entities to incentivize investment in facilities*  
23                  *and equipment in the United States for the fabrica-*  
24                  *tion, assembly, testing, or packaging of semiconduc-*

1        *tors at mature technology nodes under subsection (e)*  
2        *of that section, as added by section 103 of this Act.*

3            (4) *ALLOCATION AUTHORITY.—*

4            (A) *SUBMISSION OF COST ESTIMATES.—The*  
5        *President shall submit to Congress detailed ac-*  
6        *count, program, and project allocations of the*  
7        *full amount made available under subsection*  
8        *(a)(2)—*

9            (i) *for fiscal years 2022 and 2023, not*  
10        *later than 60 days after the date of enact-*  
11        *ment of this Act; and*

12            (ii) *for each subsequent fiscal year*  
13        *through 2026, as part of the annual budget*  
14        *submission of the President under section*  
15        *1105(a) of title 31, United States Code.*

16            (B) *ALTERNATE ALLOCATION.—*

17            (i) *IN GENERAL.—The Committees on*  
18        *Appropriations of the House of Representa-*  
19        *tives and the Senate may provide for alter-*  
20        *nate allocation of amounts made available*  
21        *under subsection (a)(2), including by ac-*  
22        *count, program, and project.*

23            (ii) *ALLOCATION BY PRESIDENT.—*

24            (I) *NO ALTERNATE ALLOCA-*  
25        *TIONS.—If Congress has not enacted*

1 *legislation establishing alternate allo-*  
2 *cations, including by account, pro-*  
3 *gram, and project, by the date on*  
4 *which the Act making full-year appro-*  
5 *priations for the Departments of Com-*  
6 *merce and Justice, Science, and Re-*  
7 *lated Agencies for the applicable fiscal*  
8 *year is enacted into law, only then*  
9 *shall amounts made available under*  
10 *subsection (a)(2) be allocated by the*  
11 *President or apportioned or allotted by*  
12 *account, program, and project pursu-*  
13 *ant to title 31, United States Code.*

14 (II) *INSUFFICIENT ALTERNATE*  
15 *ALLOCATION.—If Congress enacts legis-*  
16 *lation establishing alternate alloca-*  
17 *tions, including by account, program,*  
18 *and project, for amounts made avail-*  
19 *able under subsection (a)(2) that are*  
20 *less than the full amount appropriated*  
21 *under that subsection, the difference be-*  
22 *tween the amount appropriated and*  
23 *the alternate allocation shall be allo-*  
24 *cated by the President and apportioned*  
25 *and allotted by account, program, and*

1                    *project pursuant to title 31, United*  
2                    *States Code.*

3            *(b) CHIPS FOR AMERICA DEFENSE FUND.—*

4                    *(1) ESTABLISHMENT.—There is established in*  
5                    *the Treasury of the United States a fund to be known*  
6                    *as the “Creating Helpful Incentives to Produce Semi-*  
7                    *conductors (CHIPS) for America Defense Fund” (re-*  
8                    *ferred to in this subsection as the “Fund”)* *to provide*  
9                    *for those requirements that are necessary to carry out*  
10                   *section 9903(b) of the William M. (Mac) Thornberry*  
11                   *National Defense Authorization Act for Fiscal Year*  
12                   *2021 (15 U.S.C. 4653(b)). Amounts in the Fund shall*  
13                   *be transferred to and merged with accounts within the*  
14                   *Department of Defense to be used for such purposes.*  
15                   *Amounts in the Fund or transferred to and merged*  
16                   *with accounts within the Department of Defense may*  
17                   *not be used for construction of facilities.*

18                   *(2) APPROPRIATION.—In addition to amounts*  
19                   *otherwise available for such purposes, there is appro-*  
20                   *priated to the Fund established in subsection (b)(1),*  
21                   *out of amounts in the Treasury not otherwise appro-*  
22                   *priated—*

23                            *(A) for fiscal year 2023, \$400,000,000, to*  
24                            *remain available until September 30, 2023;*



1           (B) for fiscal year 2024, \$400,000,000, to  
2 remain available until September 30, 2024;

3           (C) for fiscal year 2025, \$400,000,000, to  
4 remain available until September 30, 2025;

5           (D) for fiscal year 2026, \$400,000,000, to  
6 remain available until September 30, 2026; and

7           (E) for fiscal year 2027, \$400,000,000, to  
8 remain available until September 30, 2027.

9           (3) ALLOCATION AUTHORITY.—

10           (A) SUBMISSION OF COST ESTIMATES.—The  
11 President shall submit to Congress detailed ac-  
12 count, program element, and project allocations  
13 of the full amount made available under sub-  
14 section (b)(2)—

15           (i) for fiscal year 2023, not later than  
16 60 days after the date of enactment of this  
17 Act; and

18           (ii) for each subsequent fiscal year  
19 through 2027, as part of the annual budget  
20 submission of the President under section  
21 1105(a) of title 31, United States Code.

22           (B) ALTERNATE ALLOCATION.—

23           (i) IN GENERAL.—The Committees on  
24 Appropriations of the House of Representa-  
25 tives and the Senate may provide for alter-

1            *nate allocation of amounts made available*  
2            *under subsection (b)(2), including by ac-*  
3            *count, program element, and project.*

4            *(ii) ALLOCATION BY PRESIDENT.—*

5                    *(I) NO ALTERNATE ALLOCA-*  
6                    *TIONS.—If Congress has not enacted*  
7                    *legislation establishing alternate allo-*  
8                    *cations, including by account, program*  
9                    *element, and project, by the date on*  
10                   *which the Act making full-year appro-*  
11                   *priations for the Department of De-*  
12                   *fense for the applicable fiscal year is*  
13                   *enacted into law, only then shall*  
14                   *amounts made available under sub-*  
15                   *section (b)(2) be allocated by the Presi-*  
16                   *dent or apportioned or allotted by ac-*  
17                   *count, program element, and project*  
18                   *pursuant to title 31, United States*  
19                   *Code.*

20                   *(II) INSUFFICIENT ALTERNATE*  
21                   *ALLOCATION.—If Congress enacts legis-*  
22                   *lation establishing alternate alloca-*  
23                   *tions, including by account, program*  
24                   *element, and project, for amounts made*  
25                   *available under subsection (b)(2) that*

1                   are less than the full amount appro-  
2                   priated under that subsection, the dif-  
3                   ference between the amount appro-  
4                   priated and the alternate allocation  
5                   shall be allocated by the President and  
6                   apportioned and allotted by account,  
7                   program element, and project pursuant  
8                   to title 31, United States Code.

9           (c) *CHIPS FOR AMERICA INTERNATIONAL TECH-*  
10 *NOLOGY SECURITY AND INNOVATION FUND.*—

11           (1) *ESTABLISHMENT.*—*There is established in*  
12 *the Treasury of the United States a fund to be known*  
13 *as the “Creating Helpful Incentives to Produce Semi-*  
14 *conductors (CHIPS) for America International Tech-*  
15 *nology Security and Innovation Fund” (referred to in*  
16 *this subsection as the “Fund”) to provide for inter-*  
17 *national information and communications technology*  
18 *security and semiconductor supply chain activities,*  
19 *including to support the development and adoption of*  
20 *secure and trusted telecommunications technologies,*  
21 *secure semiconductors, secure semiconductors supply*  
22 *chains, and other emerging technologies and to carry*  
23 *out sections 9905 and 9202(a)(2) of the William M.*  
24 *(Mac) Thornberry National Defense Authorization Act*  
25 *for Fiscal Year 2021 (15 U.S.C. 4655 and 47 U.S.C.*

1       906(a)(2)), as appropriate. Amounts in the Fund  
2       shall be transferred by the Secretary of State to ac-  
3       counts within the Department of State, the United  
4       States Agency for International Development, the Ex-  
5       port-Import Bank, and the United States Inter-  
6       national Development Finance Corporation, as ap-  
7       propriate, to be used for such purposes and under the  
8       terms and conditions of the account to which trans-  
9       ferred.

10           (2) APPROPRIATION.—

11           (A) In addition to amounts otherwise avail-  
12       able for such purposes, there is appropriated to  
13       the Fund established in subsection (c)(1), out of  
14       amounts in the Treasury not otherwise appro-  
15       priated—

16           (i) for fiscal year 2023, \$100,000,000,  
17       to remain available until September 30,  
18       2027;

19           (ii) for fiscal year 2024, \$100,000,000,  
20       to remain available until September 30,  
21       2028;

22           (iii) for fiscal year 2025, \$100,000,000,  
23       to remain available until September 30,  
24       2029;

1                   (iv) for fiscal year 2026, \$100,000,000,  
2                   to remain available until September 30,  
3                   2030; and

4                   (v) for fiscal year 2027, \$100,000,000,  
5                   to remain available until September 30,  
6                   2031.

7                   (B) *USE.*—In carrying out this subsection,  
8                   the Secretary of State may use up to \$5,000,000  
9                   of the amounts made available in each fiscal  
10                  year for the Fund for salaries and expenses, ad-  
11                  ministration, and oversight purposes, of which  
12                  \$500,000 in each of fiscal years 2023 through  
13                  2027 shall be transferred to the Office of Inspec-  
14                  tor General of the Department of State to oversee  
15                  expenditures under the Fund.

16                  (3) *ALLOCATION AUTHORITY.*—

17                  (A) *SUBMISSION OF COST ESTIMATES.*—The  
18                  President shall submit to Congress detailed ac-  
19                  count, program, project, and activity allocations  
20                  of the full amount made available under sub-  
21                  section (c)(2)—

22                         (i) for fiscal year 2023, not later than  
23                         90 days after the date of enactment of this  
24                         Act; and

1           (ii) for each subsequent fiscal year  
2 through 2027, as part of the annual budget  
3 submission of the President under section  
4 1105(a) of title 31, United States Code.

5           (B) ALTERNATE ALLOCATION.—

6           (i) IN GENERAL.—The Committees on  
7 Appropriations of the House of Representa-  
8 tives and the Senate may provide for alter-  
9 nate allocation of amounts made available  
10 under subsection (c)(2), including by ac-  
11 count, program, project, and activity.

12           (ii) ALLOCATION BY PRESIDENT.—

13           (I) NO ALTERNATE ALLOCA-  
14 TIONS.—If Congress has not enacted  
15 legislation establishing alternate allo-  
16 cations, including by account, pro-  
17 gram, project, and activity, by the date  
18 on which the Act making full-year ap-  
19 propriations for the Department of  
20 State, Foreign Operations, and Related  
21 Programs for the applicable fiscal year  
22 is enacted into law, only then shall  
23 amounts made available under sub-  
24 section (c)(2) be allocated by the Presi-  
25 dent or apportioned or allotted by ac-

1                   *count, program, project, and activity*  
2                   *pursuant to title 31, United States*  
3                   *Code.*

4                   (II) *INSUFFICIENT ALTERNATE*  
5                   *ALLOCATION.—If Congress enacts legis-*  
6                   *lation establishing alternate alloca-*  
7                   *tions, including by account, program,*  
8                   *project, and activity, for amounts*  
9                   *made available under subsection (c)(2)*  
10                  *that are less than the full amount ap-*  
11                  *propriated under that subsection, the*  
12                  *difference between the amount appro-*  
13                  *priated and the alternate allocation*  
14                  *shall be allocated by the President and*  
15                  *apportioned and allotted by account,*  
16                  *program, project, and activity pursu-*  
17                  *ant to title 31, United States Code.*

18                  (d) *CREATING HELPFUL INCENTIVES TO PRODUCE*  
19                  *SEMICONDUCTORS (CHIPS) FOR AMERICA WORKFORCE*  
20                  *AND EDUCATION FUND.—*

21                   (1) *ESTABLISHMENT.—There is established in*  
22                   *the Treasury of the United States a fund to be known*  
23                   *as the “Creating Helpful Incentives to Produce Semi-*  
24                   *conductors (CHIPS) for America Workforce and Edu-*  
25                   *cation Fund” (referred to in this subsection as the*

1       “Fund”) for the National Science Foundation for  
2       microelectronics workforce development activities to  
3       meet the requirements under section 9906 of the Wil-  
4       liam M. (Mac) Thornberry National Defense Author-  
5       ization Act for Fiscal Year 2021 (15 U.S.C. 4656).

6           (2) *APPROPRIATION.*—In addition to amounts  
7       otherwise available for such purposes, there is appro-  
8       priated to the Fund established in subsection (d)(1),  
9       out of amounts in the Treasury not otherwise appro-  
10      priated—

11           (A) for fiscal year 2023, \$25,000,000, to re-  
12      main available until expended;

13           (B) for fiscal year 2024, \$25,000,000, to re-  
14      main available until expended;

15           (C) for fiscal year 2025, \$50,000,000, to re-  
16      main available until expended;

17           (D) for fiscal year 2026, \$50,000,000, to re-  
18      main available until expended; and

19           (E) for fiscal year 2027, \$50,000,000, to re-  
20      main available until expended.

21      (3) *ALLOCATION AUTHORITY.*—

22           (A) *SUBMISSION OF COST ESTIMATES.*—The  
23      President shall submit to Congress detailed ac-  
24      count, program, and project allocations of the



1       *full amount made available under paragraph*  
2       *(2)—*

3               *(i) for fiscal year 2023, not later than*  
4               *60 days after the date of enactment of this*  
5               *Act; and*

6               *(ii) for each subsequent fiscal year*  
7               *through 2027, as part of the annual budget*  
8               *submission of the President under section*  
9               *1105(a) of title 31, United States Code.*

10       *(B) ALTERNATE ALLOCATION.—*

11               *(i) IN GENERAL.—The Committees on*  
12               *Appropriations of the House of Representa-*  
13               *tives and the Senate may provide for alter-*  
14               *nate allocation of amounts made available*  
15               *under paragraph (2), including by account,*  
16               *program, and project.*

17               *(ii) ALLOCATION BY PRESIDENT.—*

18               *(I) NO ALTERNATE ALLOCA-*  
19               *TIONS.—If Congress has not enacted*  
20               *legislation establishing alternate allo-*  
21               *cations, including by account, pro-*  
22               *gram, and project, by the date on*  
23               *which the Act making full-year appro-*  
24               *priations for the Departments of Com-*  
25               *merce and Justice, Science, and Re-*

1 *lated Agencies for the applicable fiscal*  
2 *year is enacted into law, only then*  
3 *shall amounts made available under*  
4 *subsection (d)(2) be allocated by the*  
5 *President or apportioned or allotted by*  
6 *account, program, and project pursu-*  
7 *ant to title 31, United States Code.*

8 *(II) INSUFFICIENT ALTERNATE*  
9 *ALLOCATION.—If Congress enacts legis-*  
10 *lation establishing alternate alloca-*  
11 *tions, including by account, program,*  
12 *and project, for amounts made avail-*  
13 *able under subsection (d)(2) that are*  
14 *less than the full amount appropriated*  
15 *under that subsection, the difference be-*  
16 *tween the amount appropriated and*  
17 *the alternate allocation shall be allo-*  
18 *cated by the President and apportioned*  
19 *and allotted by account, program, and*  
20 *project pursuant to title 31, United*  
21 *States Code.*

22 *(e) SEQUESTRATION.—Section 255(g)(1)(A) of the Bal-*  
23 *anced Budget and Emergency Deficit Control Act of 1985*  
24 *(2 U.S.C. 905(g)(1)(A)) is amended by inserting after*

1 “Continuing Fund, Southwestern Power Administration  
2 (89–5649–0–2–271).” the following:

3 “Creating Helpful Incentives to Produce  
4 Semiconductors (CHIPS) for America Fund.

5 “Creating Helpful Incentives to Produce  
6 Semiconductors (CHIPS) for America Defense  
7 Fund.

8 “Creating Helpful Incentives to Produce  
9 Semiconductors (CHIPS) for America Inter-  
10 national Technology Security and Innovation  
11 Fund.

12 “Creating Helpful Incentives to Produce  
13 Semiconductors (CHIPS) for America Workforce  
14 and Education Fund”.

15 (f) BUDGETARY EFFECTS.—

16 (1) STATUTORY PAYGO SCORECARDS.—The budg-  
17 etary effects of this section shall not be entered on ei-  
18 ther PAYGO scorecard maintained pursuant to sec-  
19 tion 4(d) of the Statutory Pay-As-You-Go Act of 2010  
20 (2 U.S.C. 933(d)).

21 (2) SENATE PAYGO SCORECARDS.—The budg-  
22 etary effects of this section shall not be entered on any  
23 PAYGO scorecard maintained for purposes of section  
24 4106 of H. Con. Res. 71 (115th Congress).

1           (3) *CLASSIFICATION OF BUDGETARY EFFECTS.*—  
2           *Notwithstanding Rule 3 of the Budget Scorekeeping*  
3           *Guidelines set forth in the joint explanatory statement*  
4           *of the committee of conference accompanying Con-*  
5           *ference Report 105–217 and section 250(c)(8) of the*  
6           *Balanced Budget and Emergency Deficit Control Act*  
7           *of 1985, the budgetary effects of this section shall not*  
8           *be estimated—*

9                     (A) *for purposes of section 251 of such Act;*

10                    (B) *for purposes of an allocation to the*  
11            *Committee on Appropriations pursuant to sec-*  
12            *tion 302(a) of the Congressional Budget Act of*  
13            *1974; and*

14                    (C) *for purposes of paragraph (4)(C) of sec-*  
15            *tion 3 of the Statutory Pay-As-You-Go Act of*  
16            *2010 as being included in an appropriation Act.*

17           (g) *LIMITATION ON USING AMOUNTS FOR STOCK*  
18 *BUYBACKS OR THE PAYMENT OF DIVIDENDS.*—

19                   (1) *IN GENERAL.*—*A person receiving amounts*  
20            *appropriated under this section or from a covered*  
21            *fund may not use such amounts, as determined using*  
22            *the criteria for eligible uses of amounts under sections*  
23            *9902(a)(4) and 9905(a)(4) of the William M. (Mac)*  
24            *Thornberry National Defense Authorization Act for*  
25            *Fiscal Year 2021 (15 U.S.C. 4652(a)(4), 15 U.S.C.*

1       4655(a)(4)), the activities under section 9903(b) of  
2       such Act (15 U.S.C. 4653(b)), and the functions under  
3       9906(c)(2) of such Act (15 U.S.C. 4656(c)(2)) —

4               (A) to purchase an equity security that is  
5       listed on a national securities exchange of such  
6       person or any parent company of such person; or

7               (B) to pay dividends or make other capital  
8       distributions with respect to the common stock  
9       (or equivalent interest) of the person.

10       (2) COVERED FUND.—In this subsection, the  
11       term “covered fund” means—

12               (A) the Creating Helpful Incentives to  
13       Produce Semiconductors (CHIPS) for America  
14       Fund;

15               (B) the Creating Helpful Incentives to  
16       Produce Semiconductors (CHIPS) for America  
17       Defense Fund;

18               (C) the Creating Helpful Incentives to  
19       Produce Semiconductors (CHIPS) for America  
20       International Technology Security and Innova-  
21       tion Fund; and

22               (D) the Creating Helpful Incentives to  
23       Produce Semiconductors (CHIPS) for America  
24       Workforce and Education Fund.

1 **SEC. 103. SEMICONDUCTOR INCENTIVES.**

2 (a) *DEFINITIONS.*—Section 9901 of the William M.  
3 (Mac) Thornberry National Defense Authorization Act for  
4 Fiscal Year 2021 (15 U.S.C. 4651) is amended—

5 (1) in paragraph (2)—

6 (A) by striking “a private entity, a consor-  
7 tium of private entities, or a consortium of pub-  
8 lic and private entities” and inserting “a non-  
9 profit entity, a private entity, a consortium of  
10 private entities, or a consortium of nonprofit,  
11 public, and private entities”;

12 (B) by inserting “production,” before “or  
13 research and development”; and

14 (C) by striking “of semiconductors.” and  
15 inserting “of semiconductors, materials used to  
16 manufacture semiconductors, or semiconductor  
17 manufacturing equipment.”;

18 (2) by redesignating paragraphs (5), (6), (7),  
19 (8), and (9) as paragraphs (6), (8), (9), (12), and  
20 (13), respectively;

21 (3) by inserting after paragraph (4), the fol-  
22 lowing:

23 “(5) The term ‘critical manufacturing indus-  
24 try’—

1           “(A) means an industry, industry group, or  
2           a set of related industries or related industry  
3           groups—

4                   “(i) assigned a North American Indus-  
5                   try Classification System code beginning  
6                   with 31, 32, or 33; and

7                   “(ii) for which the applicable industry  
8                   group or groups in the North American In-  
9                   dustry Classification System code cumula-  
10                  tively—

11                   “(I) manufacture primary prod-  
12                   ucts and parts, the sum of which ac-  
13                   count for not less than 5 percent of the  
14                   manufacturing value added by indus-  
15                   try gross domestic product of the  
16                   United States; and

17                   “(II) employ individuals for pri-  
18                   mary products and parts manufac-  
19                   turing activities that, combined, ac-  
20                   count for not less than 5 percent of  
21                   manufacturing employment in the  
22                   United States; and

23           “(B) may include any other manufacturing  
24           industry designated by the Secretary based on  
25           the relevance of the manufacturing industry to

1           *the national and economic security of the United*  
2           *States, including the impacts of job losses.”; and*  
3           *(4) by inserting after paragraph (6), as so redesi-*  
4           *gnated, the following:*

5           “(7) *The term ‘foreign country of concern’*  
6           *means—*

7                   “(A) *a country that is a covered nation (as*  
8                   *defined in section 4872(d) of title 10 United*  
9                   *States Code); and*

10                   “(B) *any country that the Secretary, in*  
11                   *consultation with the Secretary of Defense, the*  
12                   *Secretary of State, and the Director of National*  
13                   *Intelligence, determines to be engaged in conduct*  
14                   *that is detrimental to the national security or*  
15                   *foreign policy of the United States.”; and*

16           *(5) by inserting after paragraph (9), as so redesi-*  
17           *gnated, the following:*

18                   “(10) *The term ‘mature technology node’ has the*  
19                   *meaning given the term by the Secretary.*

20                   “(11) *The term ‘nonprofit entity’ means an enti-*  
21                   *ty described in section 501(c)(3) of the Internal Rev-*  
22                   *enue Code of 1986 and exempt from taxation under*  
23                   *section 501(a) of such Code.”.*

24           *(b) SEMICONDUCTOR PROGRAM.—Section 9902 of the*  
25           *William M. (Mac) Thornberry National Defense Authoriza-*



1 *tion Act for Fiscal Year 2021 (15 U.S.C. 4652) is amend-*  
2 *ed—*

3 *(1) in subsection (a)(1)—*

4 *(A) by striking “for semiconductor fabrica-*  
5 *tion” and inserting “for the fabrication”;*

6 *(B) by inserting “production,” before “or*  
7 *research and development”; and*

8 *(C) by striking the period at the end and*  
9 *inserting “of semiconductors, materials used to*  
10 *manufacture semiconductors, or semiconductor*  
11 *manufacturing equipment.”; and*

12 *(2) in subsection (a)(2)—*

13 *(A) in subparagraph (B)(i), by striking “;*  
14 *and” at the end;*

15 *(B) in subparagraph (B)(ii)—*

16 *(i) in subclause (III), by striking*  
17 *“and” at the end;*

18 *(ii) in subclause (IV), by striking the*  
19 *period at the end and inserting a semicolon;*  
20 *and*

21 *(iii) by adding at the end the fol-*  
22 *lowing:*

23 *“(V) determined—*

24 *“(aa) the type of semicon-*  
25 *ductor technology, equipment, ma-*

1                    *materials, or research and develop-*  
2                    *ment the covered entity will*  
3                    *produce at the facility described*  
4                    *in clause (i); and*

5                    *“(bb) the customers, or cat-*  
6                    *egories of customers, to which the*  
7                    *covered entity plans to sell the*  
8                    *semiconductor technology, equip-*  
9                    *ment, materials, or research and*  
10                   *development described in item*  
11                   *(aa); and*

12                   *“(VI) documented, to the extent*  
13                   *practicable, workforce needs and devel-*  
14                   *oped a strategy to meet such workforce*  
15                   *needs consistent with the commitments*  
16                   *described in subclauses (II) and*  
17                   *(III);”;* and

18                   *(C) by inserting after subparagraph (B)(ii)*

19                   *the following—*

20                   *“(iii) with respect to the project de-*  
21                   *scribed in clause (i), the covered entity has*  
22                   *an executable plan to identify and mitigate*  
23                   *relevant semiconductor supply chain secu-*  
24                   *rity risks, such as risks associated with ac-*  
25                   *cess, availability, confidentiality, integrity,*

1           *and a lack of geographic diversification in*  
2           *the covered entity’s supply chain; and*

3           *“(iv) with respect to any project for the*  
4           *production, assembly, or packaging of semi-*  
5           *conductors, the covered entity has imple-*  
6           *mented policies and procedures to combat*  
7           *cloning, counterfeiting, and relabeling of*  
8           *semiconductors, as applicable.”;*

9           *(D) in subparagraph (C)—*

10           *(i) in clause (i)—*

11           *(I) in subclause (II), by striking*  
12           *“is in the interest of the United*  
13           *States” and inserting “is in the eco-*  
14           *nom ic and national security interests*  
15           *of the United States”; and*

16           *(II) in subclause (III), by striking*

17           *“and” at the end;*

18           *(ii) in clause (ii)(IV), by striking*  
19           *“and” at the end;*

20           *(iii) by redesignating clause (iii) as*  
21           *clause (v); and*

22           *(iv) by inserting after clause (ii) the*  
23           *following:*

24           *“(iii) the Secretary shall consider the*  
25           *type of semiconductor technology produced*

1           *by the covered entity and whether that semi-*  
2           *conductor technology advances the economic*  
3           *and national security interests of the*  
4           *United States;*

5           *“(iv) the Secretary may not approve*  
6           *an application, unless the covered entity*  
7           *provides a plan that does not use Federal fi-*  
8           *nancial assistance to assist efforts to phys-*  
9           *ically relocate existing facility infrastruc-*  
10          *ture to another jurisdiction within the*  
11          *United States, unless the project is in the*  
12          *interest of the United States; and”;*

13          *(E) by redesignating subparagraph (D) as*  
14          *subparagraph (E); and*

15          *(F) by inserting after subparagraph (C) the*  
16          *following:*

17          *“(D) PRIORITY.—In awarding Federal fi-*  
18          *nancial assistance to covered entities under this*  
19          *subsection, the Secretary shall—*

20                 *“(i) give priority to ensuring that a*  
21                 *covered entity receiving financial assistance*  
22                 *will—*

23                         *“(I) manufacture semiconductors*  
24                         *necessary to address gaps and*  
25                         *vulnerabilities in the domestic supply*

1                   *chain across a diverse range of tech-*  
2                   *nology and process nodes; and*

3                   “*(II) provide a secure supply of*  
4                   *semiconductors necessary for the na-*  
5                   *tional security, manufacturing, critical*  
6                   *infrastructure, and technology leader-*  
7                   *ship of the United States and other es-*  
8                   *sential elements of the economy of the*  
9                   *United States; and*

10                  “*(i) ensure that the assistance is*  
11                  *awarded to covered entities for both ad-*  
12                  *vanced and mature technology nodes to meet*  
13                  *the priorities described in clause (i).”;*

14                  (3) *in subsection (a)(4)(A), by striking “used for*  
15                  *semiconductors” and inserting “used for the pur-*  
16                  *poses”;*

17                  (4) *in subsection (a)(5)—*

18                         (A) *in subparagraph (A), by striking*  
19                         “*major*”;

20                         (B) *in subparagraph (D), by striking*  
21                         “*major*”; and

22                         (C) *in subparagraph (E)(i), by striking*  
23                         “*major*”;

24                  (5) *by inserting after subsection (a)(5) the fol-*  
25                  *lowing:*

1           “(6) *EXPANSION CLAWBACK.*—

2                   “(A) *DEFINITION OF LEGACY SEMICON-*  
3           *DUCTOR.*—

4                           “(i) *IN GENERAL.*—*In this paragraph,*  
5           *the term ‘legacy semiconductor’—*

6                                   “(I) *includes—*

7   “(aa) *a semiconductor tech-*  
8   *nology that is of the 28 nanometer*  
9   *generation or older for logic;*

10   “(bb) *with respect to memory*  
11   *technology, analog technology,*  
12   *packaging technology, and any*  
13   *other relevant technology, any leg-*  
14   *acy generation of semiconductor*  
15   *technology relative to the genera-*  
16   *tion described in item (aa), as de-*  
17   *termined by the Secretary, in con-*  
18   *sultation with the Secretary of*  
19   *Defense and the Director of Na-*  
20   *tional Intelligence; and*

21   “(cc) *any additional semi-*  
22   *conductor technology identified by*  
23   *the Secretary in a public notice*  
24   *issued under clause (i); and*

1                   “(II) does not include a semicon-  
2                   ductor that is critical to national secu-  
3                   rity, as determined by the Secretary,  
4                   in consultation with the Secretary of  
5                   Defense and the Director of National  
6                   Intelligence.

7                   “(i) *UPDATES.*—Not later than 2  
8                   years after the date of enactment of the  
9                   CHIPS Act of 2022, and not less frequently  
10                  than once every 2 years thereafter for the 8-  
11                  year period after the last award under this  
12                  section is made, the Secretary, after public  
13                  notice and an opportunity for comment and  
14                  if applicable and necessary, shall issue a  
15                  public notice identifying any additional  
16                  semiconductor technology included in the  
17                  meaning of the term ‘legacy semiconductor’  
18                  under clause (i).

19                  “(iii) *FUNCTIONS OF THE SEC-*  
20                  *RETARY.*—The functions of the Secretary  
21                  under this paragraph shall not be subject to  
22                  sections 551, 553 through 559, and 701  
23                  through 706 of title 5, United States Code.

24                  “(iv) *CONSULTATION.*—In carrying out  
25                  clause (ii), the Secretary shall consult with

1           *the Director of National Intelligence and the*  
2           *Secretary of Defense.*

3           “(v) *CONSIDERATIONS.—In carrying*  
4           *out clause (ii), the Secretary shall con-*  
5           *sider—*

6                     “(I) *state-of-the-art semiconductor*  
7                     *technologies in the United States and*  
8                     *internationally, including in foreign*  
9                     *countries of concern; and*

10                    “(II) *consistency with export con-*  
11                    *trols relating to semiconductors.*

12           “(B) *DEFINITION OF SEMICONDUCTOR MAN-*  
13           *UFACTURING.—In this paragraph, the term*  
14           *‘semiconductor manufacturing’—*

15                    “(i) *has the meaning given the term by*  
16                    *the Secretary, in consultation with the Sec-*  
17                    *retary of Defense and the Director of Na-*  
18                    *tional Intelligence; and*

19                    “(ii) *includes front-end semiconductor*  
20                    *fabrication.*

21           “(C) *REQUIRED AGREEMENT.—*

22                    “(i) *IN GENERAL.—On or before the*  
23                    *date on which the Secretary awards Federal*  
24                    *financial assistance to a covered entity*  
25                    *under this section, the covered entity shall*



1            *enter into an agreement with the Secretary*  
2            *specifying that, during the 10-year period*  
3            *beginning on the date of the award, subject*  
4            *to clause (ii), the covered entity may not*  
5            *engage in any significant transaction, as*  
6            *defined in the agreement, involving the ma-*  
7            *terial expansion of semiconductor manufac-*  
8            *turing capacity in the People’s Republic of*  
9            *China or any other foreign country of con-*  
10           *cern.*

11            *“(ii) EXCEPTIONS.—The prohibition in*  
12            *the agreement required under clause (i)*  
13            *shall not apply to—*

14            *“(I) existing facilities or equip-*  
15            *ment of a covered entity for manufac-*  
16            *turing legacy semiconductors; or*

17            *“(II) significant transactions in-*  
18            *volving the material expansion of semi-*  
19            *conductor manufacturing capacity*  
20            *that—*

21            *“(aa) produces legacy semi-*  
22            *conductors; and*

23            *“(bb) predominately serves*  
24            *the market of a foreign country of*  
25            *concern.*

1           “(iii) *AFFILIATED GROUP.*—For the  
2           purpose of applying the requirements in an  
3           agreement required under clause (i), a cov-  
4           ered entity shall include the covered entity  
5           receiving financial assistance under this  
6           section, as well as any member of the cov-  
7           ered entity’s affiliated group under section  
8           1504(a) of the Internal Revenue Code of  
9           1986, without regard to section 1504(b)(3)  
10          of such Code.

11          “(D) *NOTIFICATION REQUIREMENTS.*—Dur-  
12          ing the applicable term of the agreement of a  
13          covered entity required under subparagraph  
14          (C)(i), the covered entity shall notify the Sec-  
15          retary of any planned significant transactions of  
16          the covered entity involving the material expan-  
17          sion of semiconductor manufacturing capacity in  
18          the People’s Republic of China or any other for-  
19          eign country of concern.

20          “(E) *VIOLATION OF AGREEMENT.*—

21                 “(i) *NOTIFICATION TO COVERED ENTI-*  
22                 *TIES.*—Not later than 90 days after the date  
23                 of receipt of a notification described in sub-  
24                 paragraph (D) from a covered entity, the  
25                 Secretary, in consultation with the Sec-

1            *retary of Defense and the Director of Na-*  
2            *tional Intelligence, shall—*

3                    *“(I) determine whether the signifi-*  
4                    *cant transaction described in the noti-*  
5                    *fication would be a violation of the*  
6                    *agreement of the covered entity re-*  
7                    *quired under subparagraph (C)(i); and*

8                    *“(II) notify the covered entity of*  
9                    *the Secretary’s decision under sub-*  
10                   *clause (I).*

11                   *“(ii) OPPORTUNITY TO REMEDY.—*  
12                   *Upon a notification under clause (i)(II)*  
13                   *that a planned significant transaction of a*  
14                   *covered entity is a violation of the agree-*  
15                   *ment of the covered entity required under*  
16                   *subparagraph (C)(i), the Secretary shall—*

17                   *“(I) immediately request from the*  
18                   *covered entity tangible proof that the*  
19                   *planned significant transaction has*  
20                   *ceased or been abandoned; and*

21                   *“(II) provide the covered entity 45*  
22                   *days to produce and provide to the*  
23                   *Secretary the tangible proof described*  
24                   *in subclause (I).*

1                   “(iii) *FAILURE BY THE COVERED ENTI-*  
2                   *TY TO CEASE OR REMEDY THE ACTIVITY.—*  
3                   *Subject to clause (iv), if a covered entity*  
4                   *fails to remedy a violation as set forth*  
5                   *under clause (ii), the Secretary shall recover*  
6                   *the full amount of the Federal financial as-*  
7                   *sistance provided to the covered entity*  
8                   *under this section.*

9                   “(iv) *MITIGATION.—If the Secretary,*  
10                  *in consultation with the Secretary of De-*  
11                  *fense and the Director of National Intel-*  
12                  *ligence, determines that a covered entity*  
13                  *planning a significant transaction that*  
14                  *would violate the agreement required under*  
15                  *subparagraph (C)(i) could take measures in*  
16                  *connection with the transaction to mitigate*  
17                  *any risk to national security, the Sec-*  
18                  *retary—*

19                         “(I) *may negotiate, enter into,*  
20                         *and enforce any agreement or condi-*  
21                         *tion for the mitigation; and,*

22                         “(II) *waive the recovery require-*  
23                         *ment under clause (iii).*

24                   “(F) *SUBMISSION OF RECORDS.—*

1           “(i) *IN GENERAL.*—*The Secretary may*  
2           *request from a covered entity records and*  
3           *other necessary information to review the*  
4           *compliance of the covered entity with the*  
5           *agreement required under subparagraph*  
6           *(C)(i).*

7           “(ii) *ELIGIBILITY.*—*In order to be eli-*  
8           *gible for Federal financial assistance under*  
9           *this section, a covered entity shall agree to*  
10           *provide records and other necessary infor-*  
11           *mation requested by the Secretary under*  
12           *clause (i).*

13           “(G) *CONFIDENTIALITY OF RECORDS.*—

14           “(i) *IN GENERAL.*—*Subject to clause*  
15           *(ii), any information derived from records*  
16           *or necessary information disclosed by a cov-*  
17           *ered entity to the Secretary under this sec-*  
18           *tion—*

19                   “(I) *shall be exempt from disclo-*  
20                   *sure under section 552(b)(3) of title 5,*  
21                   *United States Code; and*

22                   “(II) *shall not be made public.*

23           “(ii) *EXCEPTIONS.*—*Clause (i) shall*  
24           *not prevent the disclosure of any of the fol-*  
25           *lowing by the Secretary:*

1                   “(I) Information relevant to any  
2                   administrative or judicial action or  
3                   proceeding.

4                   “(II) Information that a covered  
5                   entity has consented to be disclosed to  
6                   third parties.

7                   “(III) Information necessary to  
8                   fulfill the requirement of the congres-  
9                   sional notification under subparagraph  
10                  (H).

11                  “(H) CONGRESSIONAL NOTIFICATION.—Not  
12                  later than 60 days after the date on which the  
13                  Secretary finds a violation by a covered entity of  
14                  an agreement required under subparagraph  
15                  (C)(i), and after providing the covered entity  
16                  with an opportunity to provide information in  
17                  response to that finding, the Secretary shall pro-  
18                  vide to the appropriate Committees of Con-  
19                  gress—

20                         “(i) a notification of the violation;

21                         “(ii) a brief description of how the Sec-  
22                         retary determined the covered entity to be  
23                         in violation; and

1                   “(iii) a summary of any actions or  
2                   planned actions by the Secretary in re-  
3                   sponse to the violation.

4                   “(I) REGULATIONS.—The Secretary may  
5                   issue regulations implementing this paragraph.”;  
6                   and

7                   (6) by adding at the end the following:

8                   “(d) SENSE OF CONGRESS.—It is the sense of Congress  
9                   that, in carrying out subsection (a), the Secretary should  
10                  allocate funds in a manner that—

11                  “(1) strengthens the security and resilience of the  
12                  semiconductor supply chain, including by mitigating  
13                  gaps and vulnerabilities;

14                  “(2) provides a supply of secure semiconductors  
15                  relevant for national security;

16                  “(3) strengthens the leadership of the United  
17                  States in semiconductor technology;

18                  “(4) grows the economy of the United States and  
19                  supports job creation in the United States;

20                  “(5) bolsters the semiconductor and skilled tech-  
21                  nical workforces in the United States;

22                  “(6) promotes the inclusion of economically dis-  
23                  advantaged individuals and small businesses; and

24                  “(7) improves the resiliency of the semiconductor  
25                  supply chains of critical manufacturing industries.

1       “(e) *ADDITIONAL ASSISTANCE FOR MATURE TECH-*  
2 *NOLOGY NODES.*—

3               “(1) *IN GENERAL.*—*The Secretary shall establish*  
4 *within the program established under subsection (a)*  
5 *an additional program that provides Federal finan-*  
6 *cial assistance to covered entities to incentivize invest-*  
7 *ment in facilities and equipment in the United States*  
8 *for the fabrication, assembly, testing, or packaging of*  
9 *semiconductors at mature technology nodes.*

10              “(2) *ELIGIBILITY AND REQUIREMENTS.*—*In*  
11 *order for an entity to qualify to receive Federal fi-*  
12 *nancial assistance under this subsection, the covered*  
13 *entity shall agree to—*

14                      “(A) *submit an application under sub-*  
15 *section (a)(2)(A);*

16                      “(B) *meet the eligibility requirements under*  
17 *subsection (a)(2)(B);*

18                      “(C)(i) *provide equipment or materials for*  
19 *the fabrication, assembly, testing, or packaging*  
20 *of semiconductors at mature technology nodes in*  
21 *the United States; or*

22                      “(ii) *fabricate, assemble using packaging, or*  
23 *test semiconductors at mature technology nodes*  
24 *in the United States;*



1           “(D) commit to using any Federal financial  
2           assistance received under this section to increase  
3           the production of semiconductors at mature tech-  
4           nology nodes; and

5           “(E) be subject to the considerations de-  
6           scribed in subsection (a)(2)(C).

7           “(3) PROCEDURES.—In granting Federal finan-  
8           cial assistance to covered entities under this sub-  
9           section, the Secretary may use the procedures estab-  
10          lished under subsection (a).

11          “(4) CONSIDERATIONS.—In addition to the con-  
12          siderations described in subsection (a)(2)(C), in  
13          granting Federal financial assistance under this sub-  
14          section, the Secretary may consider whether a covered  
15          entity produces or supplies equipment or materials  
16          used in the fabrication, assembly, testing, or pack-  
17          aging of semiconductors at mature technology nodes  
18          that are necessary to support a critical manufac-  
19          turing industry.

20          “(5) PRIORITY.—In awarding Federal financial  
21          assistance to covered entities under this subsection,  
22          the Secretary shall give priority to covered entities  
23          that support the resiliency of semiconductor supply  
24          chains for critical manufacturing industries in the  
25          United States.

1           “(6) *AUTHORIZATION OF APPROPRIATIONS.*—

2           *There are authorized to be appropriated to the Sec-*  
3           *retary to carry out this subsection \$2,000,000,000,*  
4           *which shall remain available until expended.*

5           “(f) *CONSTRUCTION PROJECTS.*—*Section 602 of the*  
6           *Public Works and Economic Development Act of 1965 (42*  
7           *U.S.C. 3212) shall apply to a construction project that re-*  
8           *ceives financial assistance from the Secretary under this*  
9           *section.*

10          “(g) *LOANS AND LOAN GUARANTEES.*—

11                 “(1) *IN GENERAL.*—*Subject to the requirements*  
12                 *of subsection (a) and this subsection, the Secretary*  
13                 *may make or guarantee loans to covered entities as*  
14                 *financial assistance under this section.*

15                 “(2) *CONDITIONS.*—*The Secretary may select eli-*  
16                 *gible projects to receive loans or loan guarantees*  
17                 *under this subsection if the Secretary determines*  
18                 *that—*

19                         “(A) *the covered entity—*

20                                 “(i) *has a reasonable prospect of re-*  
21                                 *paying the principal and interest on the*  
22                                 *loan; and*

23                                 “(ii) *has met such other criteria as*  
24                                 *may be established and published by the*  
25                                 *Secretary; and*

1           “(B) the amount of the loan (when com-  
2           bined with amounts available to the loan recipi-  
3           ent from other sources) will be sufficient to carry  
4           out the project.

5           “(3) REASONABLE PROSPECT OF REPAYMENT.—  
6           The Secretary shall base a determination of whether  
7           there is a reasonable prospect of repayment of the  
8           principal and interest on a loan under paragraph  
9           (2)(A)(i) on a comprehensive evaluation of whether  
10          the covered entity has a reasonable prospect of repay-  
11          ing the principal and interest, including, as applica-  
12          ble, an evaluation of—

13                 “(A) the strength of the contractual terms of  
14                 the project the covered entity plans to perform (if  
15                 commercially reasonably available);

16                 “(B) the forecast of noncontractual cash  
17                 flows supported by market projections from rep-  
18                 utable sources, as determined by the Secretary;

19                 “(C) cash sweeps and other structure en-  
20                 hancements;

21                 “(D) the projected financial strength of the  
22                 covered entity—

23                         “(i) at the time of loan close; and

24                         “(ii) throughout the loan term after the  
25                         project is completed;

1           “(E) the financial strength of the investors  
2           and strategic partners of the covered entity, if  
3           applicable;

4           “(F) other financial metrics and analyses  
5           that the private lending community and nation-  
6           ally recognized credit rating agencies rely on, as  
7           determined appropriate by the Secretary; and

8           “(G) such other criteria the Secretary may  
9           determine relevant.

10          “(4) RATES, TERMS, AND REPAYMENTS OF  
11          LOANS.—A loan provided under this subsection—

12                 “(A) shall have an interest rate that does  
13                 not exceed a level that the Secretary determines  
14                 appropriate, taking into account, as of the date  
15                 on which the loan is made, the cost of funds to  
16                 the Department of the Treasury for obligations of  
17                 comparable maturity; and

18                 “(B) shall have a term of not more than 25  
19                 years.

20          “(5) ADDITIONAL TERMS.—A loan or guarantee  
21          provided under this subsection may include any other  
22          terms and conditions that the Secretary determines to  
23          be appropriate.

1           “(6) *RESPONSIBLE LENDER.*—No loan may be  
2           *guaranteed under this subsection, unless the Secretary*  
3           *determines that—*

4                     “(A) *the lender is responsible; and*

5                     “(B) *adequate provision is made for serv-*  
6           *icing the loan on reasonable terms and pro-*  
7           *tecting the financial interest of the United*  
8           *States.*

9           “(7) *ADVANCED BUDGET AUTHORITY.*—New  
10          *loans may not be obligated and new loan guarantees*  
11          *may not be committed to under this subsection, unless*  
12          *appropriations of budget authority to cover the costs*  
13          *of such loans and loan guarantees are made in ad-*  
14          *vance in accordance with section 504(b) of the Fed-*  
15          *eral Credit Reform Act of 1990 (2 U.S.C. 661c(b)).*

16          “(8) *CONTINUED OVERSIGHT.*—The loan agree-  
17          *ment for a loan guaranteed under this subsection*  
18          *shall provide that no provision of the loan agreement*  
19          *may be amended or waived without the consent of the*  
20          *Secretary.*

21          “(h) *OVERSIGHT.*—Not later than 4 years after dis-  
22          *bursement of the first financial award under subsection (a),*  
23          *the Inspector General of the Department of Commerce shall*  
24          *audit the program under this section to assess—*

1           “(1) whether the eligibility requirements for cov-  
2           ered entities receiving financial assistance under the  
3           program are met;

4           “(2) whether eligible entities use the financial as-  
5           sistance received under the program in accordance  
6           with the requirements of this section;

7           “(3) whether the covered entities receiving finan-  
8           cial assistance under this program have carried out  
9           the commitments made to worker and community in-  
10          vestment under subsection (a)(2)(B)(ii)(II) by the tar-  
11          get date for completion set by the Secretary under  
12          subsection (a)(5)(A);

13          “(4) whether the required agreement entered into  
14          by covered entities and the Secretary under subsection  
15          (a)(6)(C)(i), including the notification process, has  
16          been carried out to provide covered entities sufficient  
17          guidance about a violation of the required agreement;

18          “(5) whether the Secretary has provided timely  
19          Congressional notification about violations of the re-  
20          quired agreement under subsection (a)(6)(C)(i), in-  
21          cluding the required information on how the Sec-  
22          retary reached a determination of whether a covered  
23          entity was in violation under subsection (a)(6)(E);  
24          and

1           “(6) whether the Secretary has sufficiently re-  
2           viewed any covered entity engaging in a listed excep-  
3           tion under subsection (a)(6)(C)(ii).

4           “(i) *PROHIBITION ON USE OF FUNDS.*—No funds  
5           made available under this section may be used to construct,  
6           modify, or improve a facility outside of the United States.”.

7           (c) *ADVANCED MICROELECTRONICS RESEARCH AND*  
8           *DEVELOPMENT.*—Section 9906 of the William M. (Mac)  
9           Thornberry National Defense Authorization Act for Fiscal  
10          Year 2021 (15 U.S.C. 4656) is amended—

11           (1) in subsection (a)(3)(A)(ii)—

12                   (A) in subclause (II), by inserting “, in-  
13                   cluding for technologies based on organic and in-  
14                   organic materials” after “components”; and

15                   (B) in subclause (V), by striking “and sup-  
16                   ply chain integrity” and inserting “supply  
17                   chain integrity, and workforce development”;

18           (2) in subsection (c)—

19                   (A) in paragraph (1)—

20                           (i) by inserting “and grow the domes-  
21                           tic semiconductor workforce” after “proto-  
22                           typing of advanced semiconductor tech-  
23                           nology”; and

24                           (ii) by adding at the end the following:

25                           “The Secretary may make financial assist-

1            *ance awards, including construction*  
2            *awards, in support of the national semicon-*  
3            *ductor technology center.”; and*

4            *(B) in paragraph (2)—*

5                    *(i) in subparagraph (B), by inserting*  
6                    *“and capitalize” before “an investment*  
7                    *fund”; and*

8                    *(ii) by striking subparagraph (C) and*  
9                    *inserting the following:*

10                    *“(C) To work with the Secretary of Labor,*  
11                    *the Director of the National Science Foundation,*  
12                    *the Secretary of Energy, the private sector, insti-*  
13                    *tutions of higher education, and workforce train-*  
14                    *ing entities to incentivize and expand geographi-*  
15                    *cally diverse participation in graduate, under-*  
16                    *graduate, and community college programs rel-*  
17                    *evant to microelectronics, including through—*

18                            *“(i) the development and dissemina-*  
19                            *tion of curricula and research training ex-*  
20                            *periences; and*

21                            *“(ii) the development of workforce*  
22                            *training programs and apprenticeships in*  
23                            *advanced microelectronic design, research,*  
24                            *fabrication, and packaging capabilities.”;*

25                    *(3) in subsection (d)—*



1           (A) by striking “the Manufacturing USA  
2           institute” and inserting “a Manufacturing USA  
3           institute”; and

4           (B) by adding at the end the following:  
5           “The Director may make financial assistance  
6           awards, including construction awards, in sup-  
7           port of the National Advanced Packaging Manu-  
8           facturing Program.”;

9           (4) in subsection (f)—

10           (A) in the matter preceding paragraph  
11           (1)—

12                   (i) by striking “a Manufacturing USA  
13                   Institute” and inserting “not more than 3  
14                   Manufacturing USA Institutes”;

15                   (ii) by striking “is focused on semicon-  
16                   ductor manufacturing.” and inserting “are  
17                   focused on semiconductor manufacturing.  
18                   The Secretary of Commerce may award fi-  
19                   nancial assistance to any Manufacturing  
20                   USA Institute for work relating to semicon-  
21                   ductor manufacturing.”; and

22                   (iii) by striking “Such institute may  
23                   emphasize” and inserting “Such institutes  
24                   may emphasize”; and

25           (5) by adding at the end the following:

1       “(h) *CONSTRUCTION PROJECTS.*—Section 602 of the  
2 *Public Works and Economic Development Act of 1965* (42  
3 *U.S.C. 3212*) shall apply to a construction project that re-  
4 ceives financial assistance under this section.”.

5       “(d) *ADDITIONAL AUTHORITIES.*—Division H of title  
6 *XCIX of the William M. (Mac) Thornberry National De-*  
7 *fense Authorization Act for Fiscal Year 2021* (15 *U.S.C.*  
8 *4651 et seq.*) is amended by adding at the end the following:

9       “**SEC. 9909. ADDITIONAL AUTHORITIES.**

10       “(a) *IN GENERAL.*—In carrying out the responsibil-  
11 ities of the Department of Commerce under this division,  
12 the Secretary may—

13               “(1) enter into agreements, including contracts,  
14 grants and cooperative agreements, and other trans-  
15 actions as may be necessary and on such terms as the  
16 Secretary considers appropriate;

17               “(2) make advance payments under agreements  
18 and other transactions authorized under paragraph  
19 (1) without regard to section 3324 of title 31, United  
20 States Code;

21               “(3) require a person or other entity to make  
22 payments to the Department of Commerce upon ap-  
23 plication and as a condition for receiving support  
24 through an award of assistance or other transaction;

1           “(4) procure temporary and intermittent services  
2 of experts and consultants in accordance with section  
3 3109 of title 5, United States Code;

4           “(5) notwithstanding section 3104 of title 5,  
5 United States Code, or the provisions of any other  
6 law relating to the appointment, number, classifica-  
7 tion, or compensation of employees, make appoint-  
8 ments of scientific, engineering, and professional per-  
9 sonnel, and fix the basic pay of such personnel at a  
10 rate to be determined by the Secretary at rates not in  
11 excess of the highest total annual compensation pay-  
12 able at the rate determined under section 104 of title  
13 3, United States Code, except that the Secretary shall  
14 appoint not more than 25 personnel under this para-  
15 graph;

16           “(6) with the consent of another Federal agency,  
17 enter into an agreement with that Federal agency to  
18 use, with or without reimbursement, any service,  
19 equipment, personnel, or facility of that Federal agen-  
20 cy; and

21           “(7) establish such rules, regulations, and proce-  
22 dures as the Secretary considers appropriate.

23           “(b) REQUIREMENT.—Any funds received from a pay-  
24 ment made by a person or entity pursuant to subsection

1 *(a)(3) shall be credited to and merged with the account from*  
2 *which support to the person or entity was made”.*

3 *(e) CONFORMING AMENDMENT.—The table of contents*  
4 *for division H of title XCIX of the William M. (Mac)*  
5 *Thornberry National Defense Authorization Act for Fiscal*  
6 *Year 2021 (Public Law 116–283) is amended by adding*  
7 *after the item relating to section 9908 the following:*

*“9909. Additional authorities.”.*

8 **SEC. 104. OPPORTUNITY AND INCLUSION.**

9 *(a) ESTABLISHMENT.—Not later than 180 days after*  
10 *the date of enactment of this Act, the Secretary of Commerce*  
11 *shall establish activities in the Department of Commerce,*  
12 *within the program established under section 9902 of the*  
13 *William M. (Mac) Thornberry National Defense Authoriza-*  
14 *tion Act for Fiscal Year 2021 (15 U.S.C. 4652), to carry*  
15 *out this section using funds appropriated under this Act.*

16 *(b) IN GENERAL.—The Secretary of Commerce shall*  
17 *assign personnel to lead and support the activities carried*  
18 *out under this section, including coordination with other*  
19 *workforce development activities of the Department of Com-*  
20 *merce or of Federal agencies, as defined in section 551 of*  
21 *title 5, United States Code, as appropriate.*

22 *(c) ACTIVITIES.—Personnel assigned by the Secretary*  
23 *to carry out the activities under this section shall—*

24 *(1) assess the eligibility of a covered entity, as*  
25 *defined in section 9901 of the William M. (Mac)*

1 *Thornberry National Defense Authorization Act for*  
2 *Fiscal Year 2021 (15 U.S.C. 4651), for financial as-*  
3 *sistance for a project with respect to the requirements*  
4 *under subclauses (II) and (III) of section*  
5 *9902(a)(2)(B)(ii) of the William M. (Mac) Thorn-*  
6 *berry National Defense Authorization Act for Fiscal*  
7 *Year 2021 (15 U.S.C. 4652(a)(2)(B)(ii)(II) and*  
8 *(III));*

9 (2) *ensure that each covered entity, as defined in*  
10 *section 9901 of the William M. (Mac) Thornberry Na-*  
11 *tional Defense Authorization Act for Fiscal Year 2021*  
12 *(15 U.S.C. 4651), that is awarded financial assistance*  
13 *under section 9902 of that Act (15 U.S.C. 4652) is*  
14 *carrying out the commitments of the covered entity to*  
15 *economically disadvantaged individuals as described*  
16 *in the application of the covered entity under that*  
17 *section by the target dates for completion established*  
18 *by the Secretary of Commerce under sub-*  
19 *section(a)(5)(A) of that section; and*

20 (3) *increase participation of and outreach to eco-*  
21 *nomically disadvantaged individuals, minority-owned*  
22 *businesses, veteran-owned businesses, and women-*  
23 *owned businesses, as defined by the Secretary of Com-*  
24 *merce, respectively, in the geographic area of a project*  
25 *under section 9902 of the William M. (Mac) Thorn-*

1        *berry National Defense Authorization Act for Fiscal*  
2        *Year 2021 (15 U.S.C. 4652) and serve as a resource*  
3        *for those individuals, businesses, and covered entities.*

4        *(d) STAFF.—The activities under this section shall be*  
5        *staffed at the appropriate levels to carry out the functions*  
6        *and responsibilities under this section until 95 percent of*  
7        *the amounts of funds made available for the program estab-*  
8        *lished under section 9902 of the William M. (Mac) Thorn-*  
9        *berry National Defense Authorization Act for Fiscal Year*  
10       *2021 (15 U.S.C. 4652) have been expended.*

11       *(e) REPORT.—Beginning on the date that is 1 year*  
12       *after the date on which the Secretary of Commerce estab-*  
13       *lishes the activities described in subsection (c), the Secretary*  
14       *of Commerce shall submit to the appropriate committees of*  
15       *Congress, as defined in section 9901(1) of the William M.*  
16       *(Mac) Thornberry National Defense Authorization Act for*  
17       *Fiscal Year 2021 (15 U.S.C. 4651), and make publicly*  
18       *available on the website of the Department of Commerce an*  
19       *annual report regarding the actions taken by the Depart-*  
20       *ment of Commerce under this section.*

21       **SEC. 105. ADDITIONAL GAO REPORTING REQUIREMENTS.**

22       *(a) NDAA.—Section 9902(c) of William M. (Mac)*  
23       *Thornberry National Defense Authorization Act for Fiscal*  
24       *Year 2021 (15 U.S.C. 4652(c)) is amended—*

25                *(1) in paragraph (1)—*

1                   (A) in subparagraph (B)—

2                   (i) in clause (i), by striking “; and”

3                   and inserting a semicolon; and

4                   (ii) by adding at the end the following:

5                   “(iii) the Federal Government could

6                   take specific actions to address shortages in

7                   the semiconductor supply chain, includ-

8                   ing—

9                   “(I) demand-side incentives, in-

10                  cluding incentives related to the infor-

11                  mation and communications tech-

12                  nology supply chain; and

13                  “(II) additional incentives, at na-

14                  tional and global scales, to accelerate

15                  utilization of leading-edge semicon-

16                  ductor nodes to address shortages in

17                  mature semiconductor nodes; and”;

18                  and

19                  (B) in subparagraph (C)—

20                  (i) in clause (iii), by striking “; and”

21                  and inserting a semicolon; and

22                  (ii) by inserting after clause (iv) the

23                  following:

24                  “(v) how projects are supporting the

25                  semiconductor needs of critical infrastruc-

1            *ture industries in the United States, includ-*  
2            *ing those industries designated by the Cy-*  
3            *bersecurity and Infrastructure Security*  
4            *Agency as essential infrastructure indus-*  
5            *tries; and”;* and

6            (2) *by inserting after paragraph (1)(C)(iv) the*  
7            *following:*

8            *“(D) drawing on data made available by*  
9            *the Department of Labor or other sources, to the*  
10           *extent practicable, an analysis of—*

11           *“(i) semiconductor industry data re-*  
12           *garding businesses that are—*

13           *“(I) majority owned and con-*  
14           *trolled by minority individuals;*

15           *“(II) majority owned and con-*  
16           *trolled by women; or*

17           *“(III) majority owned and con-*  
18           *trolled by both women and minority*  
19           *individuals;*

20           *“(ii) the number and amount of con-*  
21           *tracts and subcontracts awarded by each*  
22           *covered entity using funds made available*  
23           *under subsection (a) disaggregated by re-*  
24           *cipients of each such contract or sub-*  
25           *contracts that are majority owned and con-*



1                   *trolled by minority individuals and major-*  
2                   *ity owned and controlled by women; and*  
3                   “*(iii) aggregated workforce data, in-*  
4                   *cluding data by race or ethnicity, sex, and*  
5                   *job categories.*”.

6           (b)     DEPARTMENT     OF     DEFENSE.—Section  
7     9202(a)(1)(G)(ii)(I) of the William M. (Mac) Thornberry  
8     National Defense Authorization Act for Fiscal Year 2021  
9     (47 U.S.C. 906(a)(1)(G)(ii)(I)) is amended by inserting  
10    “*(including whether recipients are majority owned and con-*  
11    *trolled by minority individuals and majority owned and*  
12    *controlled by women)*” after “*to whom*”.

13    **SEC. 106. APPROPRIATIONS FOR WIRELESS SUPPLY CHAIN**  
14                   **INNOVATION.**

15           (a)     DIRECT APPROPRIATIONS.—In addition to  
16    amounts otherwise available for such purposes, there is ap-  
17    propriated to the Public Wireless Supply Chain Innovation  
18    Fund established under section 9202(a)(1) of the William  
19    M. (Mac) Thornberry National Defense Authorization Act  
20    for Fiscal Year 2021 (15 U.S.C. 4652(a)(1)), out of amounts  
21    in the Treasury not otherwise appropriated—

22                   (1) \$150,000,000 for fiscal year 2022, to remain  
23                   available until September 30, 2031; and

24                   (2) \$1,350,000,000 for fiscal year 2023, to re-  
25                   main available until September 30, 2032.

1       (b) *USE OF FUNDS, ADMINISTRATION, AND OVER-*  
2 *SIGHT.*—*Of the amounts made available under subsection*

3 *(a)*—

4           (1) *not more than 5 percent of the amounts allo-*  
5 *cated pursuant to subsection (c) in a given fiscal year*  
6 *may be used by the Assistant Secretary of Commerce*  
7 *for Communications and Information to administer*  
8 *the programs funded from the Public Wireless Supply*  
9 *Chain Innovation Fund; and*

10          (2) *not less than \$2,000,000 per fiscal year shall*  
11 *be transferred to the Office of Inspector General of the*  
12 *Department of Commerce for oversight related to ac-*  
13 *tivities conducted using amounts provided under this*  
14 *section.*

15       (c) *ALLOCATION AUTHORITY.*—

16           (1) *SUBMISSION OF COST ESTIMATES.*—*The*  
17 *President shall submit to Congress detailed account,*  
18 *program, and project allocations of the amount rec-*  
19 *ommended for allocation in a fiscal year from*  
20 *amounts made available under subsection (a)*—

21           (A) *for fiscal years 2022 and 2023, not*  
22 *later than 60 days after the date of enactment of*  
23 *this Act; and*

24           (B) *for each subsequent fiscal year through*  
25 *2032, as part of the annual budget submission of*

1           *the President under section 1105(a) of title 31,*  
2           *United States Code.*

3           (2) *ALTERNATE ALLOCATION.*—

4                   (A) *IN GENERAL.*—*The Committees on Ap-*  
5                   *propriations of the House of Representatives and*  
6                   *the Senate may provide for alternate allocation*  
7                   *of amounts recommended for allocation in a*  
8                   *given fiscal year from amounts made available*  
9                   *under subsection (a), including by account, pro-*  
10                   *gram, and project.*

11                   (B) *ALLOCATION BY PRESIDENT.*—

12                           (i) *NO ALTERNATE ALLOCATIONS.*—*If*  
13                           *Congress has not enacted legislation estab-*  
14                           *lishing alternate allocations, including by*  
15                           *account, program, and project, by the date*  
16                           *on which the Act making full-year appro-*  
17                           *priations for the Departments of Commerce*  
18                           *and Justice, Science, and Related Agencies*  
19                           *for the applicable fiscal year is enacted into*  
20                           *law, only then shall amounts recommended*  
21                           *for allocation for that fiscal year from*  
22                           *amounts made available under subsection*  
23                           *(a) be allocated by the President or appor-*  
24                           *tioned or allotted by account, program, and*

1           *project pursuant to title 31, United States*  
2           *Code.*

3                   (ii) *INSUFFICIENT ALTERNATE ALLOCA-*  
4                   *TION.—If Congress enacts legislation estab-*  
5                   *lishing alternate allocations, including by*  
6                   *account, program, and project, for amounts*  
7                   *recommended for allocation in a given fiscal*  
8                   *year from amounts made available under*  
9                   *subsection (a) that are less than the full*  
10                   *amount recommended for allocation for that*  
11                   *fiscal year, the difference between the*  
12                   *amount recommended for allocation and the*  
13                   *alternate allocation shall be allocated by the*  
14                   *President and apportioned and allotted by*  
15                   *account, program, and project pursuant to*  
16                   *title 31, United States Code.*

17           (d) *SEQUESTRATION.—Section 255(g)(1)(A) of the*  
18           *Balanced Budget and Emergency Deficit Control Act of*  
19           *1985 (2 U.S.C. 905(g)(1)(A)) is amended by inserting after*  
20           *“Postal Service Fund (18–4020–0–3–372).” the following:*

21                   *“Public Wireless Supply Chain Inno-*  
22                   *vation Fund.”.*

23           (e) *BUDGETARY EFFECTS.—*

24                   (1) *STATUTORY PAYGO SCORECARDS.—The budg-*  
25                   *etary effects of this section shall not be entered on ei-*

1 *ther PAYGO scorecard maintained pursuant to sec-*  
2 *tion 4(d) of the Statutory Pay-As-You-Go Act of*  
3 *2010.*

4 (2) *SENATE PAYGO SCORECARDS.—The budg-*  
5 *etary effects of this section shall not be entered on any*  
6 *PAYGO scorecard maintained for purposes of section*  
7 *4106 of H. Con. Res. 71 (115th Congress).*

8 (3) *CLASSIFICATION OF BUDGETARY EFFECTS.—*  
9 *Notwithstanding Rule 3 of the Budget Scorekeeping*  
10 *Guidelines set forth in the joint explanatory statement*  
11 *of the committee of conference accompanying Con-*  
12 *ference Report 105–217 and section 250(c)(8) of the*  
13 *Balanced Budget and Emergency Deficit Control Act*  
14 *of 1985, the budgetary effects of this section shall not*  
15 *be estimated—*

16 (A) *for purposes of section 251 of such Act;*

17 (B) *for purposes of an allocation to the*  
18 *Committee on Appropriations pursuant to sec-*  
19 *tion 302(a) of the Congressional Budget Act of*  
20 *1974; and*

21 (C) *for purposes of paragraph (4)(C) of sec-*  
22 *tion 3 of the Statutory Pay-As-You-Go Act of*  
23 *2010 as being included in an appropriation Act.*

1 **SEC. 107. ADVANCED MANUFACTURING INVESTMENT CRED-**

2 **IT.**

3 (a) *IN GENERAL.*—Subpart E of part IV of subchapter  
4 A of chapter 1 of the Internal Revenue Code of 1986 is  
5 amended by inserting after section 48C the following new  
6 section:

7 **“SEC. 48D. ADVANCED MANUFACTURING INVESTMENT**  
8 **CREDIT.**

9 “(a) *ESTABLISHMENT OF CREDIT.*—For purposes of  
10 section 46, the advanced manufacturing investment credit  
11 for any taxable year is an amount equal to 25 percent of  
12 the qualified investment for such taxable year with respect  
13 to any advanced manufacturing facility of an eligible tax-  
14 payer.

15 “(b) *QUALIFIED INVESTMENT.*—

16 “(1) *IN GENERAL.*—For purposes of subsection  
17 (a), the qualified investment with respect to any ad-  
18 vanced manufacturing facility for any taxable year is  
19 the basis of any qualified property placed in service  
20 by the taxpayer during such taxable year which is  
21 part of an advanced manufacturing facility.

22 “(2) *QUALIFIED PROPERTY.*—

23 “(A) *IN GENERAL.*—For purposes of this  
24 subsection, the term ‘qualified property’ means  
25 property—

26 “(i) which is tangible property,

1           “(ii) with respect to which deprecia-  
2           tion (or amortization in lieu of deprecia-  
3           tion) is allowable,

4           “(iii) which is—

5                 “(I) constructed, reconstructed, or  
6                 erected by the taxpayer, or

7                 “(II) acquired by the taxpayer if  
8                 the original use of such property com-  
9                 mences with the taxpayer, and

10           “(iv) which is integral to the operation  
11           of the advanced manufacturing facility.

12           “(B) BUILDINGS AND STRUCTURAL COMPO-  
13           NENTS.—

14                 “(i) IN GENERAL.—The term ‘qualified  
15                 property’ includes any building or its struc-  
16                 tural components which otherwise satisfy  
17                 the requirements under subparagraph (A).

18                 “(ii) EXCEPTION.—Clause (i) shall not  
19                 apply with respect to a building or portion  
20                 of a building used for offices, administrative  
21                 services, or other functions unrelated to  
22                 manufacturing.

23           “(3) ADVANCED MANUFACTURING FACILITY.—For  
24           purposes of this section, the term ‘advanced manufac-  
25           turing facility’ means a facility for which the pri-

1        *mary purpose is the manufacturing of semiconductors*  
2        *or semiconductor manufacturing equipment.*

3            “(4) *COORDINATION WITH REHABILITATION*  
4        *CREDIT.—The qualified investment with respect to*  
5        *any advanced manufacturing facility for any taxable*  
6        *year shall not include that portion of the basis of any*  
7        *property which is attributable to qualified rehabilita-*  
8        *tion expenditures (as defined in section 47(c)(2)).*

9            “(5) *CERTAIN PROGRESS EXPENDITURE RULES*  
10        *MADE APPLICABLE.—Rules similar to the rules of sub-*  
11        *sections (c)(4) and (d) of section 46 (as in effect on*  
12        *the day before the date of the enactment of the Rev-*  
13        *enue Reconciliation Act of 1990) shall apply for pur-*  
14        *poses of subsection (a).*

15            “(c) *ELIGIBLE TAXPAYER.—For purposes of this sec-*  
16        *tion, the term ‘eligible taxpayer’ means any taxpayer*  
17        *which—*

18            “(1) *is not a foreign entity of concern (as defined*  
19        *in section 9901(6) of the William M. (Mac) Thorn-*  
20        *berry National Defense Authorization Act for Fiscal*  
21        *Year 2021), and*

22            “(2) *has not made an applicable transaction (as*  
23        *defined in section 50(a)) during the taxable year.*

24            “(d) *ELECTIVE PAYMENT.—*



1           “(1) *IN GENERAL.*—*Except as otherwise provided*  
2 *in paragraph (2)(A), in the case of a taxpayer mak-*  
3 *ing an election (at such time and in such manner as*  
4 *the Secretary may provide) under this subsection with*  
5 *respect to the credit determined under subsection (a)*  
6 *with respect to such taxpayer, such taxpayer shall be*  
7 *treated as making a payment against the tax imposed*  
8 *by subtitle A (for the taxable year with respect to*  
9 *which such credit was determined) equal to the*  
10 *amount of such credit.*

11           “(2) *SPECIAL RULES.*—*For purposes of this sub-*  
12 *section—*

13                   “(A) *APPLICATION TO PARTNERSHIPS AND S*  
14 *CORPORATIONS.*—

15                           “(i) *IN GENERAL.*—*In the case of the*  
16 *credit determined under subsection (a) with*  
17 *respect to any property held directly by a*  
18 *partnership or S corporation, any election*  
19 *under paragraph (1) shall be made by such*  
20 *partnership or S corporation. If such part-*  
21 *nership or S corporation makes an election*  
22 *under such paragraph (in such manner as*  
23 *the Secretary may provide) with respect to*  
24 *such credit—*

1           “(I) the Secretary shall make a  
2           payment to such partnership or S cor-  
3           poration equal to the amount of such  
4           credit,

5           “(II) paragraph (3) shall be ap-  
6           plied with respect to such credit before  
7           determining any partner’s distributive  
8           share, or shareholder’s pro rata share,  
9           of such credit,

10          “(III) any amount with respect to  
11          which the election in paragraph (1) is  
12          made shall be treated as tax exempt in-  
13          come for purposes of sections 705 and  
14          1366, and

15          “(IV) a partner’s distributive  
16          share of such tax exempt income shall  
17          be based on such partner’s distributive  
18          share of the otherwise applicable credit  
19          for each taxable year.

20          “(ii) COORDINATION WITH APPLICA-  
21          TION AT PARTNER OR SHAREHOLDER  
22          LEVEL.—In the case of any property held  
23          directly by a partnership or S corporation,  
24          no election by any partner or shareholder  
25          shall be allowed under paragraph (1) with

1           *respect to any credit determined under sub-*  
2           *section (a) with respect to such property.*

3           “(B) *ELECTIONS.*—*Any election under*  
4           *paragraph (1) shall be made not later than the*  
5           *due date (including extensions of time) for the*  
6           *return of tax for the taxable year for which the*  
7           *election is made, but in no event earlier than*  
8           *270 days after the date of the enactment of this*  
9           *section. Any such election, once made, shall be*  
10          *irrevocable. Except as otherwise provided in this*  
11          *subparagraph, any election under paragraph (1)*  
12          *shall apply with respect to any credit for the*  
13          *taxable year for which the election is made.*

14          “(C) *TIMING.*—*The payment described in*  
15          *paragraph (1) shall be treated as made on the*  
16          *later of the due date (determined without regard*  
17          *to extensions) of the return of tax for the taxable*  
18          *year or the date on which such return is filed.*

19          “(D) *TREATMENT OF PAYMENTS TO PART-*  
20          *NEERSHIPS AND S CORPORATIONS.*—*For purposes*  
21          *of section 1324 of title 31, United States Code,*  
22          *the payments under subparagraph (A)(i)(I) shall*  
23          *be treated in the same manner as a refund due*  
24          *from a credit provision referred to in subsection*  
25          *(b)(2) of such section.*

1           “(E) *ADDITIONAL INFORMATION.*—As a con-  
2           dition of, and prior to, any amount being treat-  
3           ed as a payment which is made by the taxpayer  
4           under paragraph (1) or any payment being  
5           made pursuant to subparagraph (A), the Sec-  
6           retary may require such information or registra-  
7           tion as the Secretary deems necessary or appro-  
8           priate for purposes of preventing duplication,  
9           fraud, improper payments, or excessive payments  
10          under this section.

11          “(F) *EXCESSIVE PAYMENT.*—

12           “(i) *IN GENERAL.*—In the case of any  
13           amount treated as a payment which is  
14           made by the taxpayer under paragraph (1),  
15           or any payment made pursuant to subpara-  
16           graph (A), which the Secretary determines  
17           constitutes an excessive payment, the tax  
18           imposed on such taxpayer by chapter 1 for  
19           the taxable year in which such determina-  
20           tion is made shall be increased by an  
21           amount equal to the sum of—

22                   “(I) the amount of such excessive  
23                   payment, plus

24                   “(II) an amount equal to 20 per-  
25                   cent of such excessive payment.

1           “(ii) *REASONABLE CAUSE.*—Clause  
2           *(i)(II)* shall not apply if the taxpayer dem-  
3           onstrates to the satisfaction of the Secretary  
4           that the excessive payment resulted from  
5           reasonable cause.

6           “(iii) *EXCESSIVE PAYMENT DE-*  
7           *FINED.*—For purposes of this subparagraph,  
8           the term ‘excessive payment’ means, with  
9           respect to property for which an election is  
10          made under this subsection for any taxable  
11          year, an amount equal to the excess of—

12                   “(I) the amount treated as a pay-  
13                   ment which is made by the taxpayer  
14                   under paragraph (1), or the amount of  
15                   the payment made pursuant to sub-  
16                   paragraph (A), with respect to such  
17                   property for such taxable year, over

18                   “(II) the amount of the credit  
19                   which, without application of this sub-  
20                   section, would be otherwise allowable  
21                   (determined without regard to section  
22                   38(c)) under subsection (a) with re-  
23                   spect to such property for such taxable  
24                   year.

1           “(3) *DENIAL OF DOUBLE BENEFIT.*—*In the case*  
2 *of a taxpayer making an election under this sub-*  
3 *section with respect to the credit determined under*  
4 *subsection (a), such credit shall be reduced to zero and*  
5 *shall, for any other purposes under this title, be*  
6 *deemed to have been allowed to the taxpayer for such*  
7 *taxable year.*

8           “(4) *MIRROR CODE POSSESSIONS.*—*In the case*  
9 *of any possession of the United States with a mirror*  
10 *code tax system (as defined in section 24(k)), this sub-*  
11 *section shall not be treated as part of the income tax*  
12 *laws of the United States for purposes of determining*  
13 *the income tax law of such possession unless such pos-*  
14 *session elects to have this subsection be so treated.*

15           “(5) *BASIS REDUCTION AND RECAPTURE.*—*Rules*  
16 *similar to the rules of subsections (a) and (c) of sec-*  
17 *tion 50 shall apply with respect to—*

18                   “(A) *any amount treated as a payment*  
19 *which is made by the taxpayer under paragraph*  
20 *(1), and*

21                   “(B) *any payment made pursuant to para-*  
22 *graph (2)(A).*

23           “(6) *REGULATIONS.*—*The Secretary shall issue*  
24 *such regulations or other guidance as may be nec-*

1        *essary or appropriate to carry out the purposes of*  
2        *this subsection, including—*

3                *“(A) regulations or other guidance pro-*  
4                *viding rules for determining a partner’s dis-*  
5                *tributive share of the tax exempt income de-*  
6                *scribed in paragraph (2)(A)(i)(III), and*

7                *“(B) guidance to ensure that the amount of*  
8                *the payment or deemed payment made under*  
9                *this subsection is commensurate with the amount*  
10                *of the credit that would be otherwise allowable*  
11                *(determined without regard to section 38(c)).*

12        *“(e) TERMINATION OF CREDIT.—The credit allowed*  
13        *under this section shall not apply to property the construc-*  
14        *tion of which begins after December 31, 2026.”.*

15        *(b) RECAPTURE IN CONNECTION WITH CERTAIN EX-*  
16        *PANSIONS.—*

17                *(1) IN GENERAL.—Section 50(a) of the Internal*  
18                *Revenue Code of 1986 is amended redesignating para-*  
19                *graphs (3) through (5) as paragraphs (4) through (6),*  
20                *respectively, and by inserting after paragraph (2) the*  
21                *following new paragraph:*

22                *“(3) CERTAIN EXPANSIONS IN CONNECTION WITH*  
23                *ADVANCED MANUFACTURING FACILITIES.—*

24                *“(A) IN GENERAL.—If there is a an appli-*  
25                *cable transaction by an applicable taxpayer be-*

1        *fore the close of the 10-year period beginning on*  
2        *the date such taxpayer placed in service invest-*  
3        *ment credit property which is eligible for the ad-*  
4        *vanced manufacturing investment credit under*  
5        *section 48D(a), then the tax under this chapter*  
6        *for the taxable year in which such transaction*  
7        *occurs shall be increased by 100 percent of the*  
8        *aggregate decrease in the credits allowed under*  
9        *section 38 for all prior taxable years which*  
10       *would have resulted solely from reducing to zero*  
11       *any credit determined under section 46 which is*  
12       *attributable to the advanced manufacturing in-*  
13       *vestment credit under section 48D(a) with re-*  
14       *spect to such property.*

15                *“(B) EXCEPTION.—Subparagraph (A) shall*  
16                *not apply if the applicable taxpayer dem-*  
17                *onstrates to the satisfaction of the Secretary that*  
18                *the applicable transaction has been ceased or*  
19                *abandoned within 45 days of a determination*  
20                *and notice by the Secretary.*

21                *“(C) REGULATIONS AND GUIDANCE.—The*  
22                *Secretary shall issue such regulations or other*  
23                *guidance as the Secretary determines necessary*  
24                *or appropriate to carry out the purposes of this*  
25                *paragraph, including regulations or other guid-*



1           *ance which provide for requirements for record-*  
2           *keeping or information reporting for purposes of*  
3           *administering the requirements of this para-*  
4           *graph.”.*

5           (2) *APPLICABLE TRANSACTION; APPLICABLE TAX-*  
6           *PAYER.—Section 50(a)(6) of the Internal Revenue*  
7           *Code of 1986, as redesignated by paragraph (1), is*  
8           *amended adding at the end the following new sub-*  
9           *paragraphs:*

10                   “(D) *APPLICABLE TRANSACTION.—For pur-*  
11                   *poses of this subsection—*

12                           “(i) *IN GENERAL.—The term ‘applica-*  
13                           *ble transaction’ means, with respect to any*  
14                           *applicable taxpayer, any significant trans-*  
15                           *action (as determined by the Secretary, in*  
16                           *coordination with the Secretary of Com-*  
17                           *merce and the Secretary of Defense) involv-*  
18                           *ing the material expansion of semiconductor*  
19                           *manufacturing capacity of such applicable*  
20                           *taxpayer in the People’s Republic of China*  
21                           *or a foreign country of concern (as defined*  
22                           *in section 9901(7) of the William M. (Mac)*  
23                           *Thornberry National Defense Authorization*  
24                           *Act for Fiscal Year 2021).*

1                   “(ii) *EXCEPTION.*—*Such term shall not*  
2                   *include a transaction which primarily in-*  
3                   *volves the expansion of manufacturing ca-*  
4                   *capacity for legacy semiconductors (as defined*  
5                   *in section 9902(a)(6) of the William M.*  
6                   *(Mac) Thornberry National Defense Author-*  
7                   *ization Act for Fiscal Year 2021).*”

8                   “(E) *APPLICABLE TAXPAYER.*—*For pur-*  
9                   *poses of this subsection, the term ‘applicable tax-*  
10                   *payer’ means any taxpayer who has been al-*  
11                   *lowed a credit under section 48D(a) for any*  
12                   *prior taxable year.’”.*

13                   (3) *CONFORMING AMENDMENTS.*—

14                   (A) *Section 50(a)(4) of the Internal Rev-*  
15                   *enue Code of 1986, as redesignated by paragraph*  
16                   *(1), is amended—*

17                   (i) *by inserting “, or any applicable*  
18                   *transaction to which paragraph (3)(A) ap-*  
19                   *plies” after “paragraphs (1) and (2)”, and*

20                   (ii) *by inserting “or applicable trans-*  
21                   *action” after “such cessation”.*

22                   (B) *Section 50(a)(6)(C) of such Code, as re-*  
23                   *designated by paragraph (1), is amended by*  
24                   *striking “paragraph (1) or (2)” and inserting*  
25                   *“paragraph (1), (2), or (3)”.*

1           (C) Section 1371(d)(1) of such Code is  
2           amended by striking “section 50(a)(4)” and in-  
3           serting “section 50(a)(5)”.

4           (c) *EXEMPTION OF ELECTIVE PAYMENTS FROM SE-*  
5 *QUESTRATION.*—Subsection (d) of section 255 of the Bal-  
6 *anced Budget and Emergency Deficit Control Act of 1985*  
7 *(2 U.S.C. 905) is amended to read as follows:*

8           “(d) *REFUNDABLE INCOME TAX CREDITS AND CER-*  
9 *TAIN ELECTIVE PAYMENTS.*—

10           “(1) *REFUNDABLE INCOME TAX CREDITS.*—Pay-  
11           ments to individuals made pursuant to provisions of  
12           the Internal Revenue Code of 1986 establishing re-  
13           fundable tax credits shall be exempt from reduction  
14           under any order issued under this part.

15           “(2) *CERTAIN ELECTIVE PAYMENTS.*—Payments  
16           made to taxpayers pursuant to elections under sub-  
17           section (d) of section 48D of the Internal Revenue  
18           Code of 1986, or amounts treated as payments which  
19           are made by taxpayers under paragraph (1) of such  
20           subsection, shall be exempt from reduction under any  
21           order issued under this part.”.

22           (d) *CONFORMING AMENDMENTS.*—

23           (1) Paragraph (6) of section 46 of the Internal  
24           Revenue Code of 1986 is amended to read as follows:

1           “(6) the advanced manufacturing investment  
2     *credit.*”.

3           (2) Section 49(a)(1)(C) of such Code is amend-  
4     *ed—*

5           (A) by striking “and” at the end of clause  
6     *(iv),*

7           (B) by striking the period at the end of  
8     *clause (v) and inserting “, and”, and*

9           (C) by adding at the end the following new  
10    *clause:*

11           “(vi) the basis of any qualified prop-  
12     *erty (as defined in subsection (b)(2) of sec-*  
13     *tion 48D) which is part of an advanced*  
14     *manufacturing facility (as defined in sub-*  
15     *section (b)(3) of such section).”.*

16           (3) Section 50(a)(2)(E) of such Code is amended  
17     *by striking “or 48C(b)(2)” and inserting “48C(b)(2),*  
18     *or 48D(b)(5).”.*

19           (4) The table of sections for subpart E of part IV  
20     *of subchapter A of chapter 1 of such Code is amended*  
21     *by inserting after the item relating to section 48C the*  
22     *following new item:*

“Sec. 48D. Advanced manufacturing investment credit.”.

23           (e) *BUDGETARY EFFECTS.—*

24           (1) *STATUTORY PAYGO SCORECARDS.—The budg-*  
25     *etary effects of this section shall not be entered on ei-*

1 *ther PAYGO scorecard maintained pursuant to sec-*  
2 *tion 4(d) of the Statutory Pay-As-You-Go Act of 2010*  
3 *(2 U.S.C. 933(d)).*

4 (2) *SENATE PAYGO SCORECARDS.—The budg-*  
5 *etary effects of this section shall not be entered on any*  
6 *PAYGO scorecard maintained for purposes of section*  
7 *4106 of H. Con. Res. 71 (115th Congress).*

8 (3) *CLASSIFICATION OF BUDGETARY EFFECTS.—*  
9 *Notwithstanding Rule 3 of the Budget Scorekeeping*  
10 *Guidelines set forth in the joint explanatory statement*  
11 *of the committee of conference accompanying Con-*  
12 *ference Report 105–217 and section 250(c)(8) of the*  
13 *Balanced Budget and Emergency Deficit Control Act*  
14 *of 1985, the budgetary effects of this section shall not*  
15 *be estimated—*

16 (A) *for purposes of section 251 of such Act;*

17 (B) *for purposes of an allocation to the*  
18 *Committee on Appropriations pursuant to sec-*  
19 *tion 302(a) of the Congressional Budget Act of*  
20 *1974; and*

21 (C) *for purposes of paragraph (4)(C) of sec-*  
22 *tion 3 of the Statutory Pay-As-You-Go Act of*  
23 *2010 as being included in an appropriation Act.*

24 (f) *EFFECTIVE DATE.—*

1           (1) *IN GENERAL.*—*Except as provided in para-*  
 2           *graph (2), the amendments made by this section shall*  
 3           *apply to property placed in service after December*  
 4           *31, 2022, and, for any property the construction of*  
 5           *which begins prior to January 1, 2023, only to the*  
 6           *extent of the basis thereof attributable to the construc-*  
 7           *tion, reconstruction, or erection after the date of en-*  
 8           *actment of this Act.*

9           (2) *EXEMPTION OF ELECTIVE PAYMENTS FROM*  
 10          *SEQUESTRATION.*—*The amendment made by sub-*  
 11          *section (c) shall apply to any sequestration order*  
 12          *issued under the Balanced Budget and Emergency*  
 13          *Deficit Control Act of 1985 (2 U.S.C. 900 et seq.) on*  
 14          *or after December 31, 2022.*

## 15           ***DIVISION B—RESEARCH AND*** 16           ***INNOVATION***

### 17   ***SEC. 10000. TABLE OF CONTENTS.***

18           *The table of contents for this division is as follows:*

#### *DIVISION B—RESEARCH AND INNOVATION*

- Sec. 10000. Table of contents.*
- Sec. 10001. Short title.*
- Sec. 10002. Definitions.*
- Sec. 10003. Budgetary effects.*

#### *TITLE I—DEPARTMENT OF ENERGY SCIENCE FOR THE FUTURE*

- Sec. 10101. Mission of the Office of Science.*
- Sec. 10102. Basic energy sciences program.*
- Sec. 10103. Biological and environmental research.*
- Sec. 10104. Advanced scientific computing research program.*
- Sec. 10105. Fusion energy research.*
- Sec. 10106. High energy physics program.*
- Sec. 10107. Nuclear physics program.*
- Sec. 10108. Science laboratories infrastructure program.*