

103<sup>D</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 3238

To clarify the tax treatment of certain environmental clean-up costs.

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IN THE HOUSE OF REPRESENTATIVES

OCTOBER 7, 1993

Mr. BREWSTER (for himself, Mr. JEFFERSON, and Mr. CAMP) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To clarify the tax treatment of certain environmental clean-up costs.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. TAX TREATMENT OF CERTAIN ENVIRON-**  
4 **MENTAL CLEAN-UP COSTS NOT TO CHANGE.**

5 (a) IN GENERAL.—In the administration of sub-  
6 chapter B of chapter 1 of the Internal Revenue Code of  
7 1986, the Secretary of the Treasury or his delegate shall  
8 continue to treat amounts paid or incurred in connection  
9 with the environmental remediation activities of a trade  
10 or business as deductible under the provisions of section  
11 162 of such Code (relating to trade or business expenses)

1 rather than under the provisions of section 263 of such  
2 Code (relating to capital expenditures) or section 263A of  
3 such Code (relating to capitalization and inclusion in in-  
4 ventory costs of certain expenses), notwithstanding the po-  
5 sition taken in Technical Advice Memorandum 9315004.

6 (b) DEFINITION OF ENVIRONMENTAL REMEDIATION  
7 ACTIVITY.—For purposes of this section, the term “envi-  
8 ronmental remediation activity” means—

9 (1) the conduct of an environmental assessment  
10 of any petroleum storage or marketing site, and

11 (2) the clean-up of contamination resulting  
12 from petroleum leakage (including the removal and  
13 cleaning of soil and measures to reduce contamina-  
14 tion of underlying water).

15 **SEC. 2. EFFECTIVE DATE.**

16 The provisions of this Act shall apply with respect  
17 to taxable years beginning after the date of enactment of  
18 this Act and with respect to taxable years for which the  
19 period for making claim for credit or refund of an overpay-  
20 ment of taxes under chapter 1 of the Internal Revenue  
21 Code of 1986 has not expired as of such date.

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