

United States Senate

February 15, 2024

The Honorable Janet Yellen
Secretary of the Treasury
U.S. Department of the Treasury
1500 Pennsylvania Avenue NW
Washington, DC 20220

Dear Secretary Yellen:

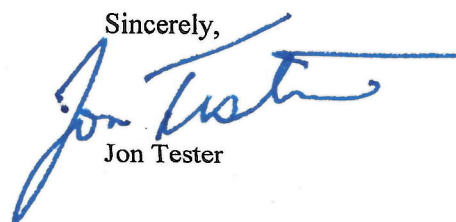
Rebuilding domestic manufacturing, onshoring supply chains and reducing American's dependence on China is critically important to our economy and national security. America simply cannot continue to rely on foreign adversaries to source vital goods and future technologies. That's why I am committed to working with the private sector to accelerate manufacturing growth in America using American-sourced materials and putting an end to China's unfair trade practices and intellectual property theft.

With this in mind, I write today to express some concerns with the implementation of the 45X Advanced Manufacturing Production Credit. This tax credit is designed to bring jobs back to America and increase our country's energy security by investing in manufacturing solar panels, batteries, and other clean energy technologies right here in the United States. When the IRS announced the proposed rule for the 45X Advanced Manufacturing Production Credit late last year, I heard directly from Montana entities about issues that could prevent the 45X Advanced Manufacturing Production Credit from maximizing its potential to bring jobs back to my state.

Specifically, I am concerned about the 45X credit's application to the domestic production of critical minerals, which are required inputs for many advanced technology manufacturing processes. In Montana, the Sibayne-Stillwater mine is a world class producer of the critical mineral palladium. When passing the 45X Advanced Manufacturing Production Credit, Congress intended to promote domestic critical mineral production such as the work that happens at the Sibayne-Stillwater mine in Montana because right now we rely way too heavily on foreign sources for critical minerals. In the proposed rule, the IRS narrowed its interpretation of the 45X Advanced Manufacturing Production Credit to exclude the critical minerals produced by Sibayne-Stillwater despite the fact that Sibayne-Stillwater ultimately meets the 99 percent purity threshold in the law. I disagree with the IRS's interpretation, and I believe it would incentivize domestic refiners to seek cheaper foreign mined materials.

The Advanced Manufacturing Production Credit is a promising opportunity to stand up to China and revitalize domestic manufacturing, but we must make sure it is implemented in a manner that supports all levels of the supply chain. I respectfully request that you update the current proposed rule to address the shortcomings on critical mineral development before the IRS finalizes the tax credit. I stand ready to work with you on Advanced Manufacturing Production Credit issues and to take on China and Russia. Thank you for your consideration.

Sincerely,



Jon Tester