

## Memorandum

TO: Tax Committee  
Minerals Policy Task Force  
Coal Policy Task Force

FROM: Jerry Mullins, Senior Vice President, State Government  
Affairs and Industry Relations  
Richard Russell, Senior Vice President, Government and  
Political Affairs  
Justin Prosser, Vice President, Government and Political  
Affairs

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SUBJECT: Senate Finance Committee Reconciliation Bill  
Details Released

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Yesterday, Senate Finance Committee Chairman Mike Crapo (R-Idaho) released 549 pages of legislative [text](#) within the committee's jurisdiction for inclusion in Senate Republicans' budget reconciliation bill. A section-by-section discussion of the bill can be found [here](#), an overview of the bill can be found [here](#). Also, a state impact analysis of the bill can be found [here](#). The committee package differs in several respects from comparable provisions in the reconciliation bill approved by the House of Representatives on May 22, 2025.

The core of the tax package is an extension of various expiring tax benefits from the 2017 Tax Cuts and Jobs Act, but the package includes additional provisions reflecting President Trump's priorities and Congressional priorities. In addition, the package repeals or cuts back various provisions from the 2022 Inflation Reduction Act.

Some provisions that are of particular interest to National Mining Association (NMA) members include:

- Permanent extension of first-year expensing (bonus depreciation) for business property acquired or placed in service on or after January 19, 2025;
- Permanent expensing for domestic research expenses for taxable years beginning after December 31, 2024. Unamortized domestic research expenses incurred between 2021 and 2025 could be deducted on an accelerated basis over a one- or two-year period;

- Permanent reinstatement of EBITDA limitation for business interest expense deduction for taxable years beginning after December 31, 2024;
- Temporary 100% depreciation allowance for real property used in a qualifying production activity (manufacturing, production, or refining) - generally where construction begins after January 19, 2025 and before January 1, 2029;
- Inflation Reduction Act:
  - Termination of clean vehicle credit and commercial clean vehicle credit (for vehicles acquired more than 180 days after enactment);
  - Phase out and restrictions on clean electricity production credit and clean electricity investment tax credit;
  - Disallowance of carbon capture credit for prohibited foreign entities (specified foreign entities, foreign-influenced entities), however the ownership thresholds for determining foreign-influenced entity is higher in the Senate Finance bill than in the House bill -- e.g., a single specified foreign entity owns at least 25% (Senate) vs. 10% (House);
  - Phase out and restrictions on advanced manufacturing production credit for producing critical minerals (Sec. 45X). The Senate bill offers a longer time frame for sunseting the credit with final year of eligibility being 2033. The credit goes through an eligibility phase out of 75% in 2031, 50% in 2032 and 25% in 2033. Credit is denied to specified foreign entities and foreign-influenced entities (see above re higher ownership thresholds).

This package is likely to be changed before being voted on by the Senate. Leadership in the Senate has pledged to have the bill passed in the Senate by the July 4 recess.

NMA will continue to work with leadership in the House as well as the Senate and administration to express industry's priorities and concerns with certain aspects of the package. Please contact Jerry Mullins at [jmullins@nma.org](mailto:jmullins@nma.org) or Richard Russell [rrussell@nma.org](mailto:rrussell@nma.org) if you have any questions