

118TH CONGRESS  
1ST SESSION**S.** \_\_\_\_\_

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

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**IN THE SENATE OF THE UNITED STATES**

Mr. WICKER (for himself, Mr. BENNET, Mrs. BRITT, Mr. COONS, Ms. CORTEZ MASTO, Mr. KAINE, Mr. KELLY, and Ms. STABENOW) introduced the following bill; which was read twice and referred to the Committee on

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**A BILL**

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

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “American Infrastruc-  
5 ture Bonds Act of 2023”.

1 **SEC. 2. CREDIT FOR AMERICAN INFRASTRUCTURE BONDS**  
2 **ALLOWED TO ISSUERS.**

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

6 **“SEC. 6431. CREDIT TO ISSUER OF AMERICAN INFRASTRUC-**  
7 **TURE BONDS.**

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

12 “(b) PAYMENT OF CREDIT.—

13 “(1) IN GENERAL.—The Secretary shall pay  
14 (contemporaneously with each interest payment date  
15 under such bond) to the issuer of such bond (or to  
16 any person who makes such interest payments on  
17 behalf of the issuer) 28 percent of the interest pay-  
18 able under such bond on such date.

19 “(2) INTEREST PAYMENT DATE.—For purposes  
20 of this subsection, the term ‘interest payment date’  
21 means each date on which the holder of record of  
22 the American infrastructure bond is entitled to a  
23 payment of interest under such bond.

24 “(c) AMERICAN INFRASTRUCTURE BOND.—

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

4                   “(A) the interest on such obligation would  
5                   (but for this section) be excludable from gross  
6                   income under section 103,

7                   “(B) the obligation is not a private activity  
8                   bond, and

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

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

13                   “(A) for purposes of section 149(b), a  
14                   bond shall not be treated as federally guaran-  
15                   teed by reason of the credit allowed under this  
16                   section, and

17                   “(B) a bond shall not be treated as an  
18                   American infrastructure bond if the issue price  
19                   has more than a de minimis amount (deter-  
20                   mined under rules similar to the rules of section  
21                   1273(a)(3)) of premium over the stated prin-  
22                   cipal amount of the bond.

23           “(d) SPECIAL RULES.—

24                   “(1) INTEREST ON AMERICAN INFRASTRUC-  
25                   TURE BONDS INCLUDIBLE IN GROSS INCOME FOR

1 FEDERAL INCOME TAX PURPOSES.—For purposes of  
2 this title, interest on any American infrastructure  
3 bond shall be includible in gross income.

4 “(2) APPLICATION OF ARBITRAGE RULES.—For  
5 purposes of section 148, the yield on an issue of  
6 American infrastructure bonds shall be reduced by  
7 the credit allowed under this section, except that no  
8 such reduction shall apply with respect to deter-  
9 mining the amount of gross proceeds of an issue  
10 that qualifies as a reasonably required reserve or re-  
11 placement fund.

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

15 (b) CONFORMING AMENDMENTS.—

16 (1) The table of sections for subchapter B of  
17 chapter 65 of subtitle F of the Internal Revenue  
18 Code of 1986 is amended by adding at the end the  
19 following new item:

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

20 (2) Subparagraph (A) of section 6211(b)(4) of  
21 such Code is amended by inserting “6431,” after  
22 “6428B,”.

23 (c) TRANSITIONAL COORDINATION WITH STATE  
24 LAW.—Except as otherwise provided by a State after the  
25 date of the enactment of this Act, the interest on any

1 American infrastructure bond (as defined in section 6431  
2 of the Internal Revenue Code of 1986 (as added by this  
3 Act)) and the amount of any credit determined under such  
4 section with respect to such bond shall be treated for pur-  
5 poses of the income tax laws of such State as being exempt  
6 from Federal income tax.

7 (d) ADJUSTMENT TO PAYMENT TO ISSUERS IN CASE  
8 OF SEQUESTRATION.—

9 (1) IN GENERAL.—In the case of any payment  
10 under subsection (b) of section 6431 of the Internal  
11 Revenue Code of 1986 (as added by this Act) made  
12 after the date of enactment of this Act to which se-  
13 questration applies, the amount of such payment  
14 shall be increased to an amount equal to—

15 (A) such payment (determined before such  
16 sequestration), multiplied by

17 (B) the quotient obtained by dividing the  
18 number 1 by the amount by which the number  
19 1 exceeds the percentage reduction in such pay-  
20 ment pursuant to such sequestration.

21 (2) SEQUESTRATION.—For purposes of this  
22 subsection, the term “sequestration” means any re-  
23 duction in direct spending ordered in accordance  
24 with a sequestration report prepared by the Director  
25 of the Office and Management and Budget pursuant

1 to the Balanced Budget and Emergency Deficit Con-  
2 trol Act of 1985 or the Statutory Pay-As-You-Go  
3 Act of 2010 or future legislation having similar ef-  
4 fect.

5 (e) **EFFECTIVE DATE.**—The amendments made by  
6 this section shall apply to obligations issued after the date  
7 of enactment of this Act.