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Bill Fact Sheet – December 9, 2025
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Bill page: https://legilist.com/bill/115/hr/1296

HR 1296

To amend the Internal Revenue Code of 1986 to provide appropriate rules for the application of the deduction for income attributable to domestic production activities with respect to certain contract manufacturing or production arrangements.

Congress: 115 (2017–2019, Ended)
Chamber: House
Policy Area: Taxation
Introduced: Mar 1, 2017
Current Status: Referred to the House Committee on Ways and Means.
Latest Action: Referred to the House Committee on Ways and Means. (Mar 1, 2017)
Official Text: https://www.congress.gov/bill/115th-congress/house-bill/1296

Sponsor

Name: Rep. Tiberi, Patrick J. [R-OH-12]
Party: Republican • **State:** OH • **Chamber:** House

Cosponsors (9 total)

Cosponsor	Party / State	Role	Date Joined
Rep. Beatty, Joyce [D-OH-3]	D · OH		Mar 1, 2017
Rep. Kind, Ron [D-WI-3]	D · WI		Mar 1, 2017
Rep. Larson, John B. [D-CT-1]	D · CT		Mar 1, 2017
Rep. Neal, Richard E. [D-MA-1]	D · MA		Mar 1, 2017
Rep. Paulsen, Erik [R-MN-3]	R · MN		Mar 1, 2017
Rep. Renacci, James B. [R-OH-16]	R · OH		Mar 1, 2017
Rep. Stivers, Steve [R-OH-15]	R · OH		Mar 7, 2017
Rep. Jordan, Jim [R-OH-4]	R · OH		May 16, 2017
Rep. Smith, Jason [R-MO-8]	R · MO		May 17, 2017

Committee Activity

Committee	Chamber	Activity	Date
Ways and Means Committee	House	Referred To	Mar 1, 2017

Subjects & Policy Tags

Policy Area:

Taxation

Related Bills

Bill	Relationship	Last Action
115 S 638	Related bill	**Mar 15, 2017:** Read twice and referred to the Committee on Finance.

Summary (as of Mar 1, 2017)

This bill amends the Internal Revenue Code to specify rules for applying the deduction for income from domestic production activities to contract manufacturing or production arrangements.

In a contract manufacturing or production arrangement, a person contracts with one or more unrelated persons for the manufacture, production, growth, or extraction of an item of qualifying production property (tangible personal property, computer software, and sound recordings) or film. The qualifying production property must be manufactured, produced, grown, or extracted in whole or significant part within the United States.

In an arrangement in which any person makes a substantial contribution through the activities of its employees within the United States to the manufacture, production, growth, or extraction of qualifying production property: (1) the person shall be treated as engaging in the activity, and (2) the domestic production gross receipts of the person shall include the gross receipts received under the arrangement for the activities.

The Internal Revenue Service must prescribe regulations that include specified factors for determining a substantial contribution.

A person with an economic risk of loss of more than 50% of the direct material costs necessary to the manufacture, production, growth, or extraction of the qualifying production is deemed to make a substantial contribution.

The parties to an arrangement may agree in writing to: (1) make only one person eligible for the deduction, or (2) apply the rules retroactively to tax years in which only one person claimed the deduction.

Actions Timeline

- **Mar 1, 2017:** Introduced in House
- **Mar 1, 2017:** Referred to the House Committee on Ways and Means.