



(Original Signature of Member)

116TH CONGRESS
2D SESSION

H. R. _____

To amend the Internal Revenue Code of 1986 to establish Hemp Opportunity Zones.

IN THE HOUSE OF REPRESENTATIVES

Mr. RIGGLEMAN introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Internal Revenue Code of 1986 to establish Hemp Opportunity Zones.

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 “Hemp Opportunity
5 Zone Act of 2020”.

6 **SEC. 2. HEMP OPPORTUNITY ZONES.**

7 (a) IN GENERAL.—Chapter 1 of the Internal Rev-
8 enue Code of 1986 is amended by inserting after sub-
9 chapter V the following new subchapter:

1 **“Subchapter W—Hemp Opportunity Zones**

2 **“SEC. 1400W-1. DESIGNATION.**

3 “(a) HEMP OPPORTUNITY ZONE DEFINED.—For
4 purposes of this subchapter, the term ‘hemp opportunity
5 zone’ means a population census tract that is a low-income
6 community that is designated as a hemp opportunity zone.

7 “(b) DESIGNATION.—

8 “(1) IN GENERAL.—For purposes of subsection
9 (a), a population census tract that is a low-income
10 community is designated as a hemp opportunity
11 zone if—

12 “(A) not later than the end of the deter-
13 mination period, the chief executive office of the
14 State in which the tract is located—

15 “(i) nominates the tract for designa-
16 tion as a hemp opportunity zone, and

17 “(ii) notifies the Secretary in writing
18 of such nomination, and

19 “(B) the Secretary certifies such nomina-
20 tion and designates such tract as a hemp oppor-
21 tunity zone before the end of the consideration
22 period.

23 “(2) FACTORS FOR CONSIDERATION.—In nomi-
24 nating tracts (and considering such nominations for

1 certification) preference shall be given to areas
2 which—

3 “(A) are facing obstacles to economic de-
4 velopment due to a lack of resources,

5 “(B) are the focus of mutually reinforcing
6 state, local, or private economic development
7 initiatives,

8 “(C) are poised for economic growth that
9 requires access to a larger hemp market for
10 commercial purposes, and

11 “(D) represent the areas of a State where
12 such service would result in the highest return
13 on investment.

14 “(3) EXTENSION OF PERIODS.—A chief execu-
15 tive officer of a State may request that the Sec-
16 retary extend either the determination or consider-
17 ation period, or both (determined without regard to
18 this subparagraph), for an additional 30 days.

19 “(c) OTHER DEFINITIONS.—For purposes of this
20 subsection—

21 “(1) LOW-INCOME COMMUNITIES.—The term
22 ‘low-income community’ has the same meaning as
23 when used in section 45D(e).

24 “(2) DEFINITION OF PERIODS.—

1 “(A) CONSIDERATION PERIOD.—The term
2 ‘consideration period’ means the 30-day period
3 beginning on the date on which the Secretary
4 receives notice under subsection (b)(1)(A)(ii),
5 as extended under subsection (b)(3).

6 “(B) DETERMINATION PERIOD.—The term
7 ‘determination period’ means the 90-day period
8 beginning on the date of the enactment of this
9 section, as extended under subsection (b)(2).

10 “(C) STATE.—For purposes of this sec-
11 tion, the term ‘State’ includes any possession of
12 the United States.

13 “(d) NUMBER OF DESIGNATIONS.—

14 “(1) IN GENERAL.—Except as provided by
15 paragraph (2), the number of population census
16 tracts in a State that may be designated as hemp
17 opportunity zones under this section may not exceed
18 25 percent of the number of low-income communities
19 in the State.

20 “(2) EXCEPTION.—If the number of low-income
21 communities in a State is less than 100, then a total
22 of 25 of such tracts may be designated as qualified
23 opportunity zones.

24 “(e) DESIGNATION OF TRACTS CONTIGUOUS WITH
25 LOW-INCOME COMMUNITIES.—

1 “(1) IN GENERAL.—A population census tract
2 that is not a low-income community may be des-
3 ignated as a hemp opportunity zone under this sec-
4 tion if—

5 “(A) the tract is contiguous with the low-
6 income community that is designated as a hemp
7 opportunity zone, and

8 “(B) the median family income of the tract
9 does not exceed 125 percent of the median fam-
10 ily income of the low-income community with
11 which the tract is contiguous.

12 “(2) LIMITATION.—Not more than 5 percent of
13 the population census tracts designated in a State as
14 a hemp opportunity zone may be designated under
15 paragraph (1).

16 “(f) PERIOD FOR WHICH DESIGNATION IS IN EF-
17 FECT.—A designation as a hemp opportunity zone shall
18 remain in effect for the period beginning on the date of
19 the designation and ending at the close of the 10th cal-
20 endar year beginning on or after such date of designation.

21 **“SEC. 1400W-2. DEFERRAL FOR ELIGIBLE TAXPAYER OF**
22 **CAPITAL GAINS INVESTED IN HEMP OPPOR-**
23 **TUNITY ZONES.**

24 “(a) IN GENERAL.—

1 “(1) EXCLUSION OF GAIN INVESTED IN HEMP
2 OPPORTUNITY ZONE PROPERTY.—In the case of gain
3 from the sale to, or exchange with, an unrelated per-
4 son of any property held by the taxpayer, at the
5 election of the taxpayer—

6 “(A) gross income for the taxable year
7 shall not include so much of such gain as does
8 not exceed the aggregate cost of all qualified
9 hemp opportunity zone property acquired by the
10 taxpayer during the 180-day period beginning
11 on the date of such sale or exchange, and

12 “(B) the amount of gain excluded by sub-
13 paragraph (A) shall be included in gross income
14 as provided by paragraph (2).

15 “(2) DEFERRAL OF GAIN INVESTED IN QUALI-
16 FIED HEMP OPPORTUNITY ZONE PROPERTY.—

17 “(A) YEAR OF INCLUSION.—Except as
18 provided by subparagraph (C), gain to which
19 paragraph (1)(B) applies shall be included in
20 income in the taxable year in which the quali-
21 fied hemp opportunity zone property related to
22 such gain is sold or exchanged in the amount
23 determined under subparagraph (B).

24 “(B) AMOUNT INCLUDIBLE.—The amount
25 of gain determined under this clause shall be—

1 “(i) 100 percent of such gain in the
2 case of the sale or exchange of the quali-
3 fied hemp opportunity zone property with
4 respect to which gain is deferred under
5 paragraph (1) that is held for less than 5
6 years,

7 “(ii) 90 percent of such gain in the
8 case of the sale or exchange of the quali-
9 fied hemp opportunity zone property with
10 respect to which gain is deferred under
11 paragraph (1) that is held for at least 5
12 years but less than 7 years, and

13 “(iii) 85 percent of such gain in the
14 case of the sale or exchange of the quali-
15 fied hemp opportunity zone property with
16 respect to which gain is deferred under
17 paragraph (1) that is held for at least 7
18 years.

19 “(3) EXCLUSION OF GAIN ON QUALIFIED HEMP
20 OPPORTUNITY ZONE PROPERTY HELD FOR AT LEAST
21 10 YEARS.—Except as provided in paragraph (2), in
22 the case of the sale or exchange of qualified hemp
23 opportunity zone property, or an investment in a
24 qualified opportunity fund, held for at least 10
25 years, gross income for the taxable year shall not in-

1 clude any gain from the sale or exchange of such
2 property or investment.

3 “(4) ONE ELECTION PER PROPERTY.—No elec-
4 tion may be made under paragraph (1) with respect
5 to a sale or exchange if an election previously made
6 with respect to such sale or exchange is in effect.

7 “(b) BASIS RULES RELATING TO QUALIFIED HEMP
8 OPPORTUNITY ZONE PROPERTY.—

9 “(1) REDUCED BY GAIN DEFERRED UNDER
10 SUBSECTION (a)(1).—The basis of a qualified hemp
11 opportunity zone property immediately after its ac-
12 quisition under subsection (a) shall be reduced by
13 the amount of gain deferred by reason of subsection
14 (a)(1)(A) with respect to such property.

15 “(2) INCREASE FOR GAIN RECOGNIZED UNDER
16 SUBSECTION (a)(2).—The basis of qualified hemp
17 opportunity zone property shall be increased by the
18 amount of gain recognized by reason of subsection
19 (a)(2) with respect to such property.

20 “(3) SUBSEQUENT INCREASE IN BASIS FOR
21 PROPERTY HELD FOR AT LEAST 5 YEARS BUT LESS
22 THAN 10 YEARS.—In the case of qualified hemp op-
23 portunity zone property held for at least 5 years but
24 less than 10 years—

1 “(A) PROPERTY HELD FOR 5 YEARS.—For
2 qualified hemp opportunity zone property held
3 for at least 5 years, the basis of such property
4 shall be increased by an amount equal to 10
5 percent of the amount of gain deferred by rea-
6 son of subsection (a)(1)(A) with respect to such
7 property.

8 “(B) PROPERTY HELD FOR 7 YEARS.—For
9 qualified hemp opportunity zone property held
10 for at least 7 years, the basis of such property
11 shall be increased by an amount equal to 5 per-
12 cent of the amount of gain deferred by reason
13 of subsection (a)(1)(A) with respect to such
14 property.

15 “(c) QUALIFIED HEMP OPPORTUNITY ZONE PROP-
16 ERTY.—For purposes of this section:

17 “(1) IN GENERAL.—The term ‘qualified hemp
18 opportunity zone property’ means property which
19 is—

20 “(A) qualified hemp opportunity zone
21 stock,

22 “(B) qualified hemp opportunity zone part-
23 nership interest,

24 “(C) qualified hemp opportunity zone busi-
25 ness property, or

1 “(D) an interest in a qualified investment
2 fund.

3 “(2) QUALIFIED HEMP OPPORTUNITY ZONE
4 STOCK.—

5 “(A) IN GENERAL.—Except as provided in
6 subparagraph (B), the term ‘qualified hemp op-
7 portunity zone stock’ means any stock in a do-
8 mestic corporation if—

9 “(i) such stock is acquired by the tax-
10 payer after December 31, 2019, at its
11 original issue (directly or through an un-
12 derwriter) from the corporation solely in
13 exchange for cash,

14 “(ii) as of the time such stock was
15 issued, such corporation was a qualified
16 hemp opportunity zone business (or, in the
17 case of a new corporation, such corporation
18 was being organized for purposes of being
19 a qualified hemp opportunity zone busi-
20 ness), and

21 “(iii) during substantially all of the
22 taxpayer’s holding period for such stock,
23 such corporation qualified as a qualified
24 hemp opportunity zone business.

1 “(B) REDEMPTIONS.—A rule similar to
2 the rule of section 1202(c)(3) shall apply for
3 purposes of this paragraph.

4 “(3) QUALIFIED HEMP OPPORTUNITY ZONE
5 PARTNERSHIP INTEREST.—The term ‘qualified hemp
6 opportunity zone partnership interest’ means any
7 capital or profits interest in a domestic partnership
8 if—

9 “(A) such interest is acquired by the tax-
10 payer after December 31, 2019, from the part-
11 nership solely in exchange for cash,

12 “(B) as of the time such interest was ac-
13 quired, such partnership was a qualified hemp
14 opportunity zone business (or, in the case of a
15 new partnership, such partnership was being
16 organized for purposes of being a qualified
17 hemp opportunity zone business), and

18 “(C) during substantially all of the tax-
19 payer’s holding period for such interest, such
20 partnership qualified as a qualified hemp oppor-
21 tunity zone business.

22 “(4) QUALIFIED HEMP OPPORTUNITY ZONE
23 BUSINESS PROPERTY.—

24 “(A) IN GENERAL.—The term ‘qualified
25 hemp opportunity zone business property’

1 means tangible property used in a trade or
2 business of the taxpayer if—

3 “(i) such property is used primarily in
4 the trade or business of producing hemp—

5 “(ii) such property was acquired by
6 the taxpayer by purchase (as defined in
7 section 179(d)(2)) after December 31,
8 2019,

9 “(iii) the original use of such property
10 in the qualified hemp opportunity zone
11 commences with the taxpayer or the tax-
12 payer substantially improves the property,
13 and

14 “(iv) during substantially all of the
15 taxpayer’s holding period for such prop-
16 erty, substantially all of the use of such
17 property was in a qualified hemp oppor-
18 tunity zone.

19 “(B) SUBSTANTIAL IMPROVEMENT.—For
20 purposes of subparagraph (A)(iii), property
21 shall be treated as substantially improved by
22 the taxpayer only if, during any 30-month pe-
23 riod beginning after the date of acquisition of
24 such property, additions to basis with respect to
25 such property in the hands of the taxpayer ex-

1 ceed an amount equal to the adjusted basis of
2 such property at the beginning of such 30-
3 month period in the hands of the taxpayer.

4 “(C) TREATMENT OF RELATED PAR-
5 TIES.—For purposes of subparagraph (A)(ii),
6 the rules of subparagraph (A) of section
7 179(d)(2) shall be applied using the relation-
8 ship described in subsection (e)(2) in lieu of the
9 relationship described in such subparagraph.

10 “(5) QUALIFIED HEMP OPPORTUNITY FUND.—
11 The term ‘qualified hemp opportunity fund’ means
12 any investment vehicle organized as a corporation or
13 a partnership for the purpose of investing in quali-
14 fied hemp opportunity zone property (other than an-
15 other qualified hemp opportunity fund) that holds at
16 least 90 percent of its assets in qualified hemp op-
17 portunity zone property, determined—

18 “(A) on the last day of the first 6-month
19 period of the taxable year of the fund, and

20 “(B) on the last day of the taxable year of
21 the fund.

22 “(6) QUALIFIED HEMP OPPORTUNITY ZONE
23 BUSINESS.—

1 “(A) IN GENERAL.—The term ‘qualified
2 hemp opportunity zone business’ means a trade
3 or business—

4 “(i) in which substantially all of the
5 tangible property owned or leased by the
6 taxpayer is qualified hemp opportunity
7 zone business property,

8 “(ii) which satisfies the requirements
9 of paragraphs (2), (4), and (8) of section
10 1397C(b), and

11 “(iii) which is not described in section
12 144(c)(6)(B).

13 “(B) SPECIAL RULE.—For purposes of
14 subparagraph (A), tangible property that ceases
15 to be a qualified hemp opportunity zone busi-
16 ness property shall continue to be treated as a
17 qualified hemp opportunity zone business prop-
18 erty for the lesser of—

19 “(i) 5 years after the date on which
20 such tangible property ceases to be so
21 qualified, or

22 “(ii) the date on which such tangible
23 property is no longer held by the qualified
24 hemp opportunity zone business.

25 “(d) APPLICABLE RULES.—

1 “(1) IN GENERAL.—For purposes of this sec-
2 tion and except as otherwise provided in this section,
3 rules similar to the rules applicable to deferred like
4 kind exchanges under section 1031 shall apply ex-
5 cept that reinvestment in qualified hemp opportunity
6 zone property need not require an intermediary
7 party.

8 “(2) RELATED PERSONS.—For purposes of this
9 subsection, persons are related to each other if such
10 persons are described in section 267(b) or 707(b)(1),
11 determined by substituting ‘20 percent’ for ‘50 per-
12 cent’ each place it occurs in such sections.

13 “(3) DECEDENTS.—In the case of a decedent,
14 amounts recognized under this section shall, if not
15 properly includible in the gross income of the dece-
16 dent, be includible in gross income as provided by
17 section 691.

18 “(4) REGULATIONS.—The Secretary shall pre-
19 scribe such regulations as may be necessary or ap-
20 propriate to carry out the purposes of this section,
21 including—

22 “(A) rules providing for proportionate in-
23 clusion in income and increases in basis for
24 purposes of subsections (a) and (b) in cases in
25 which a sale or exchange of any qualified hemp

1 opportunity zone property with respect to which
2 gain is deferred under subsection (a)(1)(A) is
3 less than all of such property,

4 “(B) rules requiring taxpayers to provide
5 such information as the Secretary determines to
6 be necessary or appropriate for the identifica-
7 tion of both the assets sold (including basis and
8 sale price) and the assets acquired and invest-
9 ments made, and.

10 “(C) rules to prevent abuse.

11 **“SEC. 1400W-3. IMMEDIATE EXPENSING OF QUALIFIED**
12 **HEMP OPPORTUNITY ZONE BUSINESS PROP-**
13 **ERTY.**

14 “(a) IN GENERAL.—A taxpayer engaged in the trade
15 or business of hemp production may elect to treat the cost
16 of any qualified hemp opportunity zone business property
17 (as defined in section 1400W-2) as an expense which is
18 not chargeable to capital account. Any cost so treated shall
19 be allowed as a deduction for the taxable year in which
20 the qualified hemp opportunity zone business property is
21 placed in service.

22 “(b) EXCEPTION FOR CERTAIN PROPERTY.—For
23 purposes of this section, the term ‘qualified hemp oppor-
24 tunity zone business property’ shall not include any prop-
25 erty to which section 168(g) applies.

1 “(c) ELECTION.—An election under this section shall
2 be made under rules similar to the rules of section 179(c).

3 “(d) COORDINATION WITH SECTION 179.—For pur-
4 poses of section 179, qualified hemp opportunity zone
5 business property shall not be treated as section 179 prop-
6 erty.

7 “(e) APPLICATION OF OTHER RULES.—Rules similar
8 to the rules of paragraphs (3), (4), (5), (7), (9), and (10)
9 of section 179(d) shall apply for purposes of this section.

10 “(f) TAXPAYER REPORTING.—This section shall not
11 apply with respect to any taxpayer for any taxable year
12 unless such taxpayer provides the Secretary with such in-
13 formation as the Secretary may require to allow the Sec-
14 retary to evaluate the effectiveness of the program estab-
15 lished under this part.”.

16 (b) BASIS ADJUSTMENTS.—Section 1016(a) of such
17 Code is amended by striking “and” at the end of para-
18 graph (37), by striking the period at the end of paragraph
19 (38) and inserting “, and”, and by inserting after para-
20 graph (38) the following new paragraph:

21 “(39) to the extent provided in section 1400W-
22 2(b).”.

23 (c) CLERICAL AMENDMENT.—The table of sub-
24 chapters for chapter 1 of such Code is amended by insert-

1 ing after the item relating to subchapter V the following
2 new item:

“SUBCHAPTER W. HEMP OPPORTUNITY ZONES”.

3 (b) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to taxable years beginning after
5 the date of the enactment of this Act.

6 **SEC. 3. INCREASED QUALIFIED BUSINESS INCOME DEDUC-**
7 **TION FOR HEMP PRODUCERS.**

8 (a) IN GENERAL.—Section 199A(b) of the Internal
9 Revenue Code of 1986 is amended by adding at the end
10 the following new paragraph:

11 “(8) SPECIAL RULE WITH RESPECT TO QUALI-
12 FIED BUSINESS INCOME FROM HEMP PRODUC-
13 TION.—

14 “(A) IN GENERAL.—In the case of any
15 qualified trade or business which is engaged in
16 hemp production and the gross receipts for the
17 preceding taxable year of which do not exceed
18 \$25,000,000, the amount determined under
19 paragraph (2) with respect to such trade or
20 business shall be increased by an amount equal
21 to 15 percent of so much of the qualified busi-
22 ness income with respect to such trade or busi-
23 ness as is properly allocable to hemp produc-
24 tion.

1 “(B) COMMON CONTROL.—Any trades or
2 business which are under common control and
3 treated as a single employer under section 52
4 shall be treated as a single trade or business for
5 purposes of applying the \$25,000,000 gross re-
6 ceipts test under subparagraph (A).”

7 (b) EFFECTIVE DATE.—The amendment made by
8 this section shall apply to taxable years beginning the date
9 of the enactment of this Act.

10 **SEC. 4. HEMP FARMER START-UP TAX CREDIT.**

11 (a) IN GENERAL.—Subpart D of part IV of sub-
12 chapter A of chapter 1 of the Internal Revenue Code of
13 1986 is amended by adding at the end the following new
14 section:

15 **“SEC. 45U. HEMP FARMER START-UP CREDIT.**

16 “(a) IN GENERAL.—For purposes of section 38, in
17 the case of an eligible hemp farmer, the hemp farmer
18 start-up credit determined under this section for any tax-
19 able year is an amount equal to—

20 “(1) 10 percent of the cash rent paid by the
21 taxpayer for land in connection with the trade or
22 business of producing hemp, or

23 “(2) 15 percent of the crop share rent so paid
24 by the taxpayer.

1 “(b) DEFINITIONS AND SPECIAL RULES.—For pur-
2 poses of this section—

3 “(1) ELIGIBLE HEMP FARMER.—The term ‘eli-
4 gible hemp farmer’ means any person who—

5 “(A) engaged in the trade or business of
6 hemp farming, and

7 “(B) has gross receipts for the preceding
8 taxable year of not more than \$25,000,000.

9 “(2) CASH RENT.—The term ‘cash rent’ means
10 any rent paid for the use of land in cash or as a
11 crop share that is guaranteed as to the dollar
12 amount of the commodity paid in rent.

13 “(3) CROP SHARE RENT.—The term ‘crop share
14 rent’ means any rent paid for the use of land as a
15 crop share and that is not described in paragraph
16 (2).

17 “(4) YEARS OF ELECTION.—The taxpayer may
18 elect the application of this section only for 3 taxable
19 years of the first 5 taxable years for which ordinary
20 and necessary expenses paid or incurred in carrying
21 on such trade or business are allowable as a deduc-
22 tion by the taxpayer under section 162.

23 “(5) CONTROLLED GROUPS AND COMMON CON-
24 TROL.—All persons treated as a single employer

1 under subsections (a) and (b) of section 52 shall be
2 treated as 1 person.”.

3 (b) PART OF GENERAL BUSINESS CREDIT.—Section
4 38(b) of such Code is amended by striking “plus” at the
5 end of paragraph (32), by striking the period at the end
6 of paragraph (33) and inserting “, plus”, and by adding
7 at the end the following new paragraph:

8 “(34) the hemp farmer start-up credit deter-
9 mined under section 45U(a).”.

10 (c) CLERICAL AMENDMENT.—The table of sections
11 for subpart D of part IV of subchapter A of chapter 1
12 is amended by adding at the end the following new item:

“Sec. 45U. Hemp farmer start-up credit.”.

13 (d) EFFECTIVE DATE.—The amendments made by
14 this section shall apply to taxable years beginning after
15 December 31, 2020.

16 **SEC. 5. SMALL HEMP FARMER INVESTMENT CREDIT.**

17 (a) IN GENERAL.—Subpart E of part IV of sub-
18 chapter A of chapter 1 of the Internal Revenue Code of
19 1986 is amended by inserting after section 48C the fol-
20 lowing new section:

21 **“SEC. 48D. SMALL HEMP FARMER CREDIT.**

22 “(a) IN GENERAL.—For purposes of section 46, in
23 the case of an eligible hemp farmer, the small hemp farm-
24 er credit for any taxable year is an amount equal to 30

1 percent of the basis of hemp farming property placed in
2 service during the taxable year.

3 “(b) ELIGIBLE HEMP FARMER.—For purposes of
4 this section, the term ‘eligible hemp farmer’ means any
5 person who—

6 “(1) engaged in the trade or business of hemp
7 farming, and

8 “(2) has gross receipts for the preceding tax-
9 able year of not more than \$250,000.

10 “(c) HEMP FARMING PROPERTY.—For purposes of
11 this section, the term ‘hemp farming property’ means any
12 property (of a character subject to the allowance for de-
13 preciation) which placed in service by the taxpayer for use
14 in the trade or business of hemp farming.

15 “(d) CONTROLLED GROUPS AND COMMON CON-
16 TROL.—All persons treated as a single employer under
17 subsections (a) and (b) of section 52 shall be treated as
18 1 person for purposes of subsection (b)(2).”.

19 (b) PART OF INVESTMENT CREDIT.—Section 46 of
20 such Code is amended by striking “and” at the end of
21 paragraph (5), by striking the period at the end of para-
22 graph (6) and inserting “, and”, and by adding at the
23 end the following new paragraph:

24 “(7) the small hemp farmer credit.”.

1 (c) 50 PERCENT BASIS REDUCTION.—Section
2 50(c)(3) of such Code is amended by inserting “or small
3 hemp farmer credit” after “energy credit”.

4 (d) CLERICAL AMENDMENT.—The table of sections
5 for subpart E of part IV of subchapter A of chapter 1
6 of such Code is amended by inserting after the item relat-
7 ing to section 48C the following new item:

“Sec. 48D. Small hemp farmer credit.”.

8 (e) EFFECTIVE DATE.—The amendments made by
9 this section shall apply to property placed in service in
10 taxable years beginning after December 31, 2020.

11 **SEC. 6. MARKETABILITY STUDY AND REPORT.**

12 (a) IN GENERAL.—The Secretary of the Treasury, in
13 consultation with the Secretary of Agriculture, shall study
14 the issues described in subsection (b) with respect to the
15 production of hemp and, not later than 1 year after the
16 date of the enactment of this Act, submit to Congress a
17 report of the findings of such study.

18 (b) ISSUES.—The issues described in this subsection,
19 with respect to the production of hemp, are as follows:

20 (1) The potential opportunities for hemp seed
21 to be used as an animal feed and any obstacles to
22 approval for such use.

23 (2) The potential opportunities for hemp to be
24 used to create personal protective equipment for
25 healthcare workers and first responders.

1 (3) The feasibility and financial impact of hemp
2 producer compliance with applicable Department of
3 Agriculture sampling timetables.

4 (4) The feasibility of hemp producer compliance
5 with Department of Agriculture reporting require-
6 ments.

7 (5) The feasibility of hemp producer compliance
8 with a legal maximum 0.3 percent
9 tetrahydrocannabinol limitation, including compli-
10 ance and losses due to non-compliance, and a com-
11 parison to the feasibility of a legal maximum 1.0
12 percent tetrahydrocannabinol limitation.

13 (6) The maximum tetrahydrocannabinol level
14 for the crop to have no psychotropic effect or intoxi-
15 cating potential.

16 (7) The ability for United States hemp pro-
17 ducers to compete globally with other countries that
18 have a maximum 1.0 percent tetrahydrocannabinol
19 limitation.

20 (8) Identifying market challenges and opportu-
21 nities for a craft and small hemp producers to re-
22 main competitive in the United State and global
23 hemp marketplace.

24 (9) The nutritional value and benefits of foods,
25 drinks, and supplements produced from hemp-based

1 products, and the potential benefits of including
2 hemp-based food, drink, supplements, and protein to
3 certain public school meal programs.

4 (10) Which items procured by the Federal Gov-
5 ernment, or items used by contractors or subcontrac-
6 tors of the Federal Government at any tier, can be
7 substituted by a hemp-based product.

8 (11) Identify potential opportunities for hemp
9 to be used as a renewable energy source.