

HR 2511

Energy Tax Policy Act of 2001

Congress: 107 (2001–2003, Ended)

Chamber: House

Policy Area: Taxation

Introduced: Jul 17, 2001

Current Status: For Further Action See H.R.4.

Latest Action: For Further Action See H.R.4. (Aug 13, 2001)

Official Text: <https://www.congress.gov/bill/107th-congress/house-bill/2511>

Sponsor

Name: Rep. McCrery, Jim [R-LA-4]

Party: Republican • **State:** LA • **Chamber:** House

Cosponsors

No cosponsors are listed for this bill.

Committee Activity

Committee	Chamber	Activity	Date
Ways and Means Committee	House	Reported By	Jul 24, 2001

Subjects & Policy Tags

Policy Area:

Taxation

Related Bills

No related bills are listed.

Summary (as of Jul 24, 2001)

Energy Tax Policy Act of 2001 - **Title I: Conservation** - Allows a credit of up to \$2,000 annually each for qualified photovoltaic property expenditures and qualified solar water heating property expenditures.

(Sec. 102) Extends the placed-in-service date for wind facilities and closed-loop biomass facilities to facilities placed in service after December 31, 1993 (December 31, 1992, in the case of closed-loop biomass facilities) and before January 1, 2007.

(Sec. 103) Provides a ten-percent credit for the purchase of qualified stationary fuel cell power plants for businesses and individuals. Prohibits the credit from exceeding \$1,000 for each kilowatt of capacity.

(Sec. 104) Establishes a credit for the purchase of new qualified fuel cell motor vehicles (between \$1,000 and \$40,000 depending on vehicle weight class, vehicle type, and fuel efficiency), new qualified hybrid motor vehicles (between \$250 and \$14,000 depending on vehicle weight class, vehicle type, and fuel efficiency), new qualified alternative fuel motor vehicles (50 percent of the incremental cost, plus an additional 30 percent for vehicles meeting specified emissions standards), and new advanced lean burn technology motor vehicles (between \$1,000 and \$4,000 depending on fuel efficiency).

(Sec. 105) Extends the deduction for costs of qualified clean-fuel vehicle property and clean-fuel vehicle refueling property through December 31, 2007. Begins the present law phase-down in 2005.

(Sec. 106) Modifies the present-law credit for electric vehicles to provide that the credit for qualifying vehicles generally ranges between \$4,000 and \$40,000 depending upon the weight of the vehicle.

(Sec. 107) Provides a credit for the manufacture of certain energy-efficient clothes washers (\$50 or \$100 depending on energy efficiency) and refrigerators (\$50 or \$100 depending on energy efficiency).

(Sec. 108) Provides a 20-percent nonrefundable credit (\$2,000 maximum) for the purchase of qualified energy efficiency improvements to existing homes.

(Sec. 109) Provides a credit (\$2,000 maximum per dwelling) to an eligible contractor for energy-efficient property installed in a qualified new energy-efficient home during construction.

(Sec. 110) Provides a limited deduction for energy-efficient commercial building property expenditures made by the taxpayer. Limits the deduction to an amount equal to the product of \$2.25 and the square footage of the property for which such expenditures were made.

(Sec. 111) Provides a deduction of up to \$30 for each qualified new or retrofitted energy management device placed in service by any taxpayer who is a supplier of electric energy or natural gas or is a provider of electric energy or natural gas services.

(Sec. 112) Provides a three-year recovery period for qualified new or retrofitted energy management devices placed in service by any taxpayer who is a supplier of electric energy or natural gas or is a provider of electric energy or natural gas services.

(Sec. 113) Provides a ten-percent credit for the purchase of combined heat and power property.

(Sec. 114) Allows the personal energy credits added by this Act (the residential solar energy property credit and the

energy efficient improvements to existing homes credit) to offset both the regular tax and the alternative minimum tax.

(Sec. 115) Repeals the 4.3-cents-per-gallon General Fund excise tax on diesel fuel used in trains and fuels used in barges operating on the designated inland waterways system over a prescribed phase-out period, with total repeal being effective on January 1, 2010.

(Sec. 116) Provides a reduced tax rate (19.7 cents per gallon) for diesel fuel blended with water into an emulsion fuel which is at least 14 percent water.

(Sec. 117) Provides a ten percent investment tax credit for qualified investments in advanced clean coal technology facilities.

(Sec. 118) Provides a production credit for electricity produced from a qualified advanced clean coal technology electricity generation unit.

Title II: Reliability - Establishes a statutory seven-year recovery period and a class life of ten years for natural gas gathering lines.

(Sec. 202) Establishes a statutory ten-year recovery period and a class life of twenty years for natural gas distribution lines.

(Sec. 203) Establishes a statutory seven-year recovery period and a class life of ten years for assets used in petroleum refining.

(Sec. 204) Permits small business refiners to expense for up to 75 percent of the costs paid or incurred for the purpose of complying with the Highway Diesel Fuel Sulfur Control Requirements of the Environmental Protection Agency.

(Sec. 205) Provides that a small business refiner may claim a limited credit equal to five cents per gallon of low sulfur diesel fuel produced.

(Sec. 206) Increases, for independent producers, the current 50,000 barrel-per-day limitation based on actual daily production to 75,000 based on average daily production for the taxable year.

(Sec. 207) Provides special private business use rules for bonds issued by public power entities to finance electric output facilities when the entities participate in qualifying electric industry restructuring arrangements.

(Sec. 208) Permits a taxpayer to elect to treat an electric transmission transaction as an involuntary conversion and expand the types of replacement property that qualify as related or similar in use to converted electric transmission property.

(Sec. 209) Exempts the acquisition of stock in any controlled corporation in a qualifying electric transmission transaction from the general rule concerning the recognition of gain on the distribution of property.

(Sec. 210) Modifies the special rules concerning nuclear decommissioning costs.

(Sec. 211) Provides that income received or accrued by a rural electric cooperative from any open access transaction (other than income received or accrued directly or indirectly from a member of the cooperative) or from any nuclear decommissioning transaction is excluded in determining whether a rural electric cooperative satisfies the 85-percent test for tax exemption.

(Sec. 212) Repeals the requirement of certain approved terminals to offer dyed diesel or kerosene for nontaxable purposes.

(Sec. 213) Provides an exception to the general rule that tax-exempt bond financed prepayments violate arbitrage restrictions under which a prepayment financed with tax-exempt bond proceeds for the purpose of obtaining a supply of natural gas to be used in the business of one or more governmental utilities will not be treated as the acquisition of investment-type property.

Title III: Production - Establishes a specified credit for producing oil and gas from marginal wells.

(Sec. 302) Suspends the limit on percentage depletion deductions to no more than 65 percent of overall taxable income for years beginning after December 31, 2001, and before January 1, 2007. Extends the suspension of the 100 percent net-income limitation for marginal wells an additional five years.

(Sec. 303) Permits delay rental payments incurred in connection with the development of oil or gas within the United States to be deducted currently.

(Sec. 304) Permits geological and geophysical costs incurred in connection with oil and gas exploration in the United States to be deducted currently.

(Sec. 305) Provides a special five-year carryback for certain eligible oil and gas losses.

(Sec. 306) Permits taxpayers to claim credit for production of certain non-conventional fuels produced at wells placed in service after the date of enactment and before January 1, 2007. Permits production from certain existing wells (any well drilled after December 31, 1979, and before January 1, 1993) to claim a credit through 2006.

(Sec. 307) Makes the alternative minimum tax limitation inapplicable to the business energy credits added by this Act.

(Sec. 308) Repeals the alternative minimum tax preference for intangible drilling or development costs for oil and gas wells for taxpayers other than integrated oil companies.

(Sec. 309) Repeals the alternative minimum tax limitation on the enhanced oil recovery credit.

(Sec. 310) Extends, for three years, certain benefits for energy related businesses on Indian reservations.

Actions Timeline

- **Aug 13, 2001:** For Further Action See H.R.4.
- **Jul 24, 2001:** Reported (Amended) by the Committee on Ways and Means. H. Rept. 107-157.
- **Jul 24, 2001:** Reported (Amended) by the Committee on Ways and Means. H. Rept. 107-157.
- **Jul 24, 2001:** Placed on the Union Calendar, Calendar No. 93.
- **Jul 18, 2001:** Committee Consideration and Mark-up Session Held.
- **Jul 18, 2001:** Ordered to be Reported by the Yeas and Nays: 24 - 17.
- **Jul 17, 2001:** Introduced in House
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- **Jul 17, 2001:** Referred to the House Committee on Ways and Means.