

HR 1531

Energy Tax Policy Act of 2003

Congress: 108 (2003–2005, Ended)

Chamber: House

Policy Area: Taxation

Introduced: Apr 1, 2003

Current Status: Placed on the Union Calendar, Calendar No. 41.

Latest Action: Placed on the Union Calendar, Calendar No. 41. (Apr 9, 2003)

Official Text: <https://www.congress.gov/bill/108th-congress/house-bill/1531>

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	Apr 9, 2003

Subjects & Policy Tags

Policy Area:

Taxation

Related Bills

Bill	Relationship	Last Action
108 HR 6	Related bill	Nov 21, 2003: Motion by Senator Frist to reconsider the vote by which cloture on the conference report to accompnay H. R. 6 was not invoked (Roll Call Vote No. 456) entered in Senate.

Energy Tax Policy Act of 2003 - **Title I: Conservation** - (Sec. 101) 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. Defines three new qualifying facilities: (1) open-loop biomass facilities; (2) landfill gas facilities; and (3) trash combustion facilities.

(Sec. 103) Provides a ten-percent credit for the purchase of qualified fuel cell power plants for businesses and individuals. Prohibits the credit from exceeding \$500 for each 0.5 kilowatt of capacity.

(Sec. 104) Provides a 20-percent nonrefundable credit (\$2,000 maximum) for the purchase of qualified energy efficiency improvements to existing homes.

(Sec. 105) Provides, for an eligible contractor, for a new energy efficient home credit of up to \$2,000 for energy efficient property installed in a qualified new energy efficient home.

(Sec. 106) Provides a ten-percent credit for the purchase of combined heat and power property.

(Sec. 107) Allows the personal energy credits added by this Act (the residential solar energy property credit, the individual fuel power plant credit, and the energy efficient improvements to existing homes credit) to offset both the regular tax and the alternative minimum tax.

(Sec. 108) 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.

(Sec. 109) Provides for tax rate of 19.7 cents per gallon for diesel fuel blended with water into a diesel-water fuel emulsion that is at least 14 percent water.

(Sec. 110) Repeals the phaseouts on the credit for qualified electric vehicles and on the deduction for clean fuel vehicles.

(Sec. 111) Establishes credits for the purchase of new qualified fuel cell motor vehicles (between \$4,000 and \$40,000 depending on vehicle weight, with increases for fuel efficiency) and new advanced lean burn technology motor vehicles (between \$500 and \$3,000, with increases for lifetime fuel savings).

Title II: Reliability - (Sec. 201) Establishes a statutory seven-year recovery period and a class life of ten years for natural gas gathering lines.

(Sec. 202) Establishes a statutory 15-year recovery period and a class life of 20 years for natural gas distribution lines.

(Sec. 203) Establishes a statutory 15-year recovery period and a class life of 20 years for certain electric transmission property.

(Sec. 204) Permits small business refiners to expense up to 75 percent of the qualified capital 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) Permits recognition of gain from a qualifying electric transmission transaction ratably over an eight year period, if the gain is used to purchase exempt utility property.

(Sec. 208) Modifies the special rules concerning nuclear decommissioning costs.

(Sec. 209) Provides that income received or accrued by a rural electric cooperative from any provision or sale of transmission service or ancillary services if such services are performed on a nondiscriminatory open access basis under an independent transmission provider agreement approved by FERC (other than income received or accrued directly or indirectly from a member of the cooperative), from any nuclear decommissioning transaction, or from any asset exchange or conversion transaction is excluded in determining whether a rural electric cooperative satisfies the 85-percent test for tax exemption.

(Sec. 210) Creates an exception to the arbitrage bond rules by excluding from the term "investment-type property" a prepayment under a qualified natural gas contract.

(Sec. 211) Permits assigned operator members of a controlled group of corporations to prepay their premium liability to the United Mine Workers of America Combined Fund.

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, 2003, and before January 1, 2007. Extends the suspension of the 100 percent net-income limitation for marginal wells an additional three years.

(Sec. 303) Allows any delay rental payment in connection with the development of oil or gas wells within the United States to be allowed as a deduction ratably over two years.

(Sec. 304) Allows any geological and geophysical expenses in connection with the development of oil or gas wells within the United States to be allowed as a deduction ratably over two years.

(Sec. 305) 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. 306) Makes the alternative minimum tax limitation inapplicable to the business energy credits added by this Act.

(Sec. 307) Repeals, for two years, the alternative minimum tax preference for intangible drilling or development costs for oil and gas wells for taxpayers other than integrated oil companies.

(Sec. 308) Repeals, for two years, the alternative minimum tax limitation on the enhanced oil recovery credit.

Title IV: Corporate Expatriation - (Sec. 401) Treats as a domestic corporation a foreign incorporated entity treated as an inverted domestic corporation, with respect to inversion transactions completed after March 4, 2003 and before

January 1, 2005.

(Sec. 402) Expresses the sense of Congress that passage of legislation to fix the underlying problems with our tax laws is essential and should occur as soon as possible, so U.S. corporations will not face the current pressures to engage in inversion transactions.

Actions Timeline

- **Apr 9, 2003:** Reported (Amended) by the Committee on Ways and Means. H. Rept. 108-67.
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- **Apr 9, 2003:** Placed on the Union Calendar, Calendar No. 41.
- **Apr 3, 2003:** Committee Consideration and Mark-up Session Held.
- **Apr 3, 2003:** Ordered to be Reported (Amended) by the Yeas and Nays: 24 - 12.
- **Apr 1, 2003:** Introduced in House
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- **Apr 1, 2003:** Referred to the House Committee on Ways and Means.