

HR 1541

Enhanced Energy Infrastructure and Technology Tax Act of 2005

Congress: 109 (2005–2007, Ended)

Chamber: House

Policy Area: Taxation

Introduced: Apr 12, 2005

Current Status: Placed on the Union Calendar, Calendar No. 25.

Latest Action: Placed on the Union Calendar, Calendar No. 25. (Apr 18, 2005)

Official Text: <https://www.congress.gov/bill/109th-congress/house-bill/1541>

Sponsor

Name: Rep. Thomas, William M. [R-CA-22]

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

Cosponsors

No cosponsors are listed for this bill.

Committee Activity

Committee	Chamber	Activity	Date
Ways and Means Committee	House	Reported By	Apr 18, 2005

Subjects & Policy Tags

Policy Area:

Taxation

Related Bills

No related bills are listed.

Enhanced Energy Infrastructure and Technology Tax Act of 2005 - **Title I: Energy Infrastructure Tax Incentives** - (Sec. 101) Amends the Internal Revenue Code to assign a seven-year depreciation recovery period (class life of 14 years under the alternative depreciation system) to any natural gas gathering line placed in service after April 11, 2005. Defines "natural gas gathering line" to include any pipe, equipment, and appurtenance that: (1) is determined to be a gathering line by the Federal Energy Regulatory Commission; and (2) is used to deliver natural gas from the wellhead or a common point to the point at which such gas first reaches a gas processing plant, an interconnection with an interstate transmission line, an interconnection with an intrastate transmission line, or a direct interconnection with a local distribution company, gas storage facility, or industrial consumer.

(Sec. 102) Assigns a 15-year depreciation recovery period (class life of 35 years under the alternative depreciation system) to any natural gas distribution line placed in service after April 11, 2005.

(Sec. 103) Assigns a 15-year depreciation recovery period (class life of 30 years under the alternative depreciation system) to property used in the transmission at 69 or more kilovolts of electricity for sale and the original use of which commences with the taxpayer after April 11, 2005.

(Sec. 104) Allows a 60-month amortization period for atmospheric pollution control facilities placed in service after April 11, 2005, and used in connection with an electric generation plant or other property which is primarily coal-fired.

(Sec. 105) Designates the tax credit for producing fuel from a non-conventional source as a general business tax credit.

(Sec. 106) Revises rules for the tax treatment of contributions to nuclear decommissioning reserve funds to, among other things, eliminate the cost of service requirement for deductible contributions to such fund (thus allowing unregulated utilities to make tax deductible contributions to a reserve fund).

(Sec. 107) Modifies bond arbitrage rules to provide that an investment-type property does not include a prepayment under a qualified natural gas supply contract, thus exempting such prepayments from arbitrage restrictions.

(Sec. 108) Revises the definition of certain small crude oil refiners eligible for the exemption from limitations on the percentage depletion allowance for oil and gas wells to provide that such refiners will qualify for the exemption if their average daily refinery runs do not exceed 75,000 barrels (currently, 50,000 barrels).

Title II: Miscellaneous Energy Tax Incentives - (Sec. 201) Allows a tax credit for 15 percent of residential solar water heating, photovoltaic, or fuel cell property expenditures in a taxable year. Imposes a \$2,000 limitation on the credit for solar water heating and photovoltaic property expenditures, and \$500 for each 0.5 kilowatt of qualified fuel cell property. Terminates such credit after December 31, 2007.

(Sec. 202) Allows a tax credit for investment in qualified fuel cell property. Defines "qualified fuel cell property" as a fuel cell power plant which generates at least 0.5 kilowatt of electricity using an electrochemical process and has an electricity-only generation efficiency greater than 30 percent. Limits that amount of such credit to \$500 for each 0.5 kilowatt of capacity of such property. Terminates such credit after December 31, 2007.

(Sec. 203) Reduces to 19.7 cents per gallon (from 24.3 cents) the excise tax rate for diesel fuel blended with water.

(Sec. 204) Allows the amortization over a 24-month period of delay rental payments incurred in connection with the development of oil or gas within the United States.

(Sec. 205) Allows the amortization over a 24-month period of geological and geophysical amounts incurred in connection with oil and gas exploration in the United States.

(Sec. 206) Allows a tax credit for investment in advanced lean burn technology motor vehicles. Bases the amount of such credit on vehicle fuel efficiency and conservation ratings. Terminates such credit after December 31, 2007.

(Sec. 207) Allows a tax credit for 20 percent of expenditures for energy efficiency improvements made to existing residences prior to January 1, 2008. Limits the annual amount of such credit to \$2,000.

Title III: Alternative Minimum Tax Relief - (Sec. 301) Allows the tax credits for residential energy efficient property and energy efficient improvements to existing homes to offset both regular and alternative minimum tax liability.

(Sec. 302) Allows the following business tax credits as an offset against alternative minimum tax liability: (1) the low sulfur diesel fuel production credit; (2) the marginal oil and gas well production credit; (3) the credit for qualified fuel cells; and (4) the enhanced oil recovery tax credit for taxable years beginning after December 31, 2005, and before January 1, 2008.

Actions Timeline

- **Apr 18, 2005:** Reported (Amended) by the Committee on Ways and Means. H. Rept. 109-45.
- **Apr 18, 2005:** Reported (Amended) by the Committee on Ways and Means. H. Rept. 109-45.
- **Apr 18, 2005:** Placed on the Union Calendar, Calendar No. 25.
- **Apr 13, 2005:** Committee Consideration and Mark-up Session Held.
- **Apr 13, 2005:** Ordered to be Reported (Amended) by the Yeas and Nays: 26 - 11.
- **Apr 12, 2005:** Introduced in House
- **Apr 12, 2005:** Introduced in House
- **Apr 12, 2005:** Referred to the House Committee on Ways and Means.