

104TH CONGRESS
1ST SESSION

H. R. 379

To amend the Internal Revenue Code of 1986 to define tar sands for purposes of the credit for producing fuels from nonconventional sources and to repeal the minimum tax preference for intangible drilling costs.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 4, 1995

Mr. THOMAS introduced the following bill; which was referred to the
Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to define tar sands for purposes of the credit for producing fuels from nonconventional sources and to repeal the minimum tax preference for intangible drilling costs.

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. TAR SANDS DEFINED FOR PURPOSES OF CRED-**
4 **IT FOR PRODUCING FUELS FROM**
5 **NONCONVENTIONAL SOURCES.**

6 (a) IN GENERAL.—Subsection (c) of section 29 of the
7 Internal Revenue Code of 1986 is amended by adding at
8 the end thereof the following new paragraph:

1 “(4) TAR SANDS.—The term ‘tar sands’ means
2 any consolidated or unconsolidated rock (other than
3 coal, oil shale, or gilsonite) that—

4 “(A) contains a hydrocarbonaceous mate-
5 rial with gas free viscosity, at original reservoir
6 temperature, greater than 10,000 centipoise, or

7 “(B) contains a hydrocarbonaceous mate-
8 rial and is produced by mining or quarrying.”

9 (b) EFFECTIVE DATE.—Subsection (f) of section 29
10 of such Code is amended by adding at the end thereof
11 the following new flush sentence:

12 “Notwithstanding the preceding sentence, this section
13 shall apply to qualified fuels which are produced from tar
14 sands from wells drilled, and mines and quarries first
15 opened, after January 4, 1995, and before January 1,
16 2000, and which are sold before January 1, 2006.”

17 **SEC. 2. REPEAL OF INTANGIBLE DRILLING COST PREF-**
18 **ERENCE.**

19 (a) ALTERNATIVE MINIMUM TAX.—Sections
20 56(g)(4)(D)(i), 57(a)(2), and 57(b) of the Internal Reve-
21 nue Code of 1986 are hereby repealed.

22 (b) CORPORATE PREFERENCE ITEMS.—

23 (1) IN GENERAL.—Paragraph (1) of section
24 291(b) of such Code is amended to read as follows:

1 “(1) IN GENERAL.—The amount allowable as a
 2 deduction for any taxable year under section 616(a)
 3 or 617(a) (determined without regard to this sec-
 4 tion) shall be reduced by 30 percent.”

5 (2) CONFORMING AMENDMENTS.—

6 (A) Paragraphs (2) and (3) of section
 7 291(b) of such Code are each amended by strik-
 8 ing “263(c), 616(a),” and inserting “616(a)”.

9 (B) Section 291(b) of such Code is amend-
 10 ed by striking paragraph (4) and by redesignat-
 11 ing paragraph (5) as paragraph (4).

12 (C) Section 59(e)(2) of such Code is
 13 amended by striking subparagraph (C) and by
 14 redesignating subparagraphs (D) and (E) as
 15 subparagraphs (C) and (D), respectively.

16 (D) Section 263(c) of such Code is amend-
 17 ed by striking the last sentence.

18 (E) The subsection heading for section
 19 291(b) of such Code is amended by striking
 20 “INTANGIBLE DRILLING COSTS AND”.

21 (c) EFFECTIVE DATE.—The amendments made by
 22 this section shall apply to costs paid or incurred after De-
 23 cember 31, 1994, in taxable years ending after such date.

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