

106TH CONGRESS  
2D SESSION

# H. R. 4977

To amend the Internal Revenue Code of 1986 to provide a credit against tax for energy efficient appliances.

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IN THE HOUSE OF REPRESENTATIVES

JULY 26, 2000

Mr. NUSSLE (for himself, Mr. TANNER, Mr. CAMP, Mr. MATSUI, Mr. CARDIN, Mr. LEWIS of Georgia, Mr. BOSWELL, Mr. GANSKE, Mr. GILLMOR, Mr. HUTCHINSON, Mr. LATHAM, Mr. LEACH, Mr. MARKEY, Mr. REGULA, Mr. SNYDER, and Mr. UPTON) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to provide a credit against tax for energy efficient appliances.

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 “Resource Efficient Ap-  
5 pliance Incentives Act”.

6 **SEC. 2. TAX CREDIT FOR ENERGY EFFICIENT APPLIANCES.**

7 (a) IN GENERAL.—Subpart D of part IV of sub-  
8 chapter A of chapter 1 of the Internal Revenue Code of

1 1986 (relating to business-related credits) is amended by  
2 adding at the end the following new section:

3 **“SEC. 45D. ENERGY EFFICIENT APPLIANCE CREDIT.**

4 “(a) GENERAL RULE.—For purposes of section 38,  
5 the energy efficient appliance credit determined under this  
6 section for the taxable year is an amount equal to the ap-  
7 plicable amount determined under subsection (b) with re-  
8 spect to qualified energy efficient appliances produced by  
9 the taxpayer during the calendar year ending with or with-  
10 in the taxable year.

11 “(b) APPLICABLE AMOUNT.—For purposes of sub-  
12 section (a), the applicable amount determined under this  
13 subsection with respect to a taxpayer is the sum of—

14 “(1) in the case of an energy efficient clothes  
15 washer described in subsection (d)(2)(A) or an en-  
16 ergy efficient refrigerator described in subsection  
17 (d)(3)(B)(i), an amount equal to—

18 “(A) \$50, multiplied by

19 “(B) the number of such washers and re-  
20 frigerators produced by the taxpayer during  
21 such calendar year, and

22 “(2) in the case of an energy efficient clothes  
23 washer described in subsection (d)(2)(B) or an en-  
24 ergy efficient refrigerator described in subsection  
25 (d)(3)(B)(ii), an amount equal to—

1 “(A) \$100, multiplied by

2 “(B) the number of such washers and re-  
3 frigerators produced by the taxpayer during  
4 such calendar year.

5 “(c) LIMITATION ON MAXIMUM CREDIT.—

6 “(1) IN GENERAL.—The maximum amount of  
7 credit allowed under subsection (a) with respect to  
8 a taxpayer for all taxable years shall be—

9 “(A) \$30,000,000 with respect to the cred-  
10 it determined under subsection (b)(1), and

11 “(B) \$30,000,000 with respect to the cred-  
12 it determined under subsection (b)(2).

13 “(2) LIMITATION BASED ON GROSS RE-  
14 CEIPTS.—The credit allowed under subsection (a)  
15 with respect to a taxpayer for the taxable year shall  
16 not exceed an amount equal to 2 percent of the aver-  
17 age annual gross receipts of the taxpayer for the 3  
18 taxable years preceding the taxable year in which  
19 the credit is determined.

20 “(3) GROSS RECEIPTS.—For purposes of this  
21 subsection, the rules of paragraphs (2) and (3) of  
22 section 448(c) shall apply.

23 “(d) QUALIFIED ENERGY EFFICIENT APPLIANCE.—  
24 For purposes of this section—

1           “(1) IN GENERAL.—The term ‘qualified energy  
2 efficient appliance’ means—

3                   “(A) an energy efficient clothes washer, or

4                   “(B) an energy efficient refrigerator.

5           “(2) ENERGY EFFICIENT CLOTHES WASHER.—

6           The term ‘energy efficient clothes washer’ means a  
7 residential clothes washer, including a residential  
8 style coin operated washer, which is manufactured  
9 with—

10                   “(A) a 1.26 Modified Energy Factor (re-  
11 ferred to in this paragraph as ‘MEF’) (as de-  
12 termined by the Secretary of Energy), or

13                   “(B) a 1.42 MEF (as determined by the  
14 Secretary of Energy) (1.5 MEF for calendar  
15 years beginning after 2004).

16           “(3) ENERGY EFFICIENT REFRIGERATOR.—The  
17 term ‘energy efficient refrigerator’ means an auto-  
18 matic defrost refrigerator-freezer which—

19                   “(A) has an internal volume of at least  
20 16.5 cubic feet, and

21                   “(B) consumes—

22                           “(i) 10 percent less kw/hr/yr than the  
23 energy conservation standards promulgated  
24 by the Department of Energy for such re-  
25 frigerator for 2001, or

1                   “(ii) 15 percent less kw/hr/yr than  
2                   such energy conservation standards.

3           “(e) SPECIAL RULES.—

4                   “(1) IN GENERAL.—Rules similar to the rules  
5                   of subsections (c), (d), and (e) of section 52 shall  
6                   apply for purposes of this section.

7                   “(2) AGGREGATION RULES.—All persons treat-  
8                   ed as a single employer under subsection (a) or (b)  
9                   of section 52 or subsection (m) or (o) of section 414  
10                  shall be treated as one person for purposes of sub-  
11                  section (a).

12                  “(f) VERIFICATION.—The taxpayer shall submit such  
13                  information or certification as the Secretary, in consulta-  
14                  tion with the Secretary of Energy, determines necessary  
15                  to claim the credit amount under subsection (a).

16                  “(g) TERMINATION.—This section shall not apply—

17                          “(1) with respect to energy efficient refrig-  
18                          erators described in subsection (d)(3)(B)(i) produced  
19                          in calendar years beginning after 2004, and

20                          “(2) with respect to all other qualified energy  
21                          efficient appliances produced in calendar years be-  
22                          ginning after 2006.”.

23                  “(b) LIMITATION ON CARRYBACK.—Section 39(d) of  
24                  the Internal Revenue Code of 1986 (relating to transition

1 rules) is amended by adding at the end the following new  
2 paragraph:

3           “(9) NO CARRYBACK OF ENERGY EFFICIENT  
4           APPLIANCE CREDIT BEFORE EFFECTIVE DATE.—No  
5           portion of the unused business credit for any taxable  
6           year which is attributable to the energy efficient ap-  
7           pliance credit determined under section 45D may be  
8           carried to a taxable year ending before the date of  
9           the enactment of section 45D.”.

10          (c) CONFORMING AMENDMENT.—Section 38(b) of  
11 the Internal Revenue Code of 1986 (relating to general  
12 business credit) is amended by striking “plus” at the end  
13 of paragraph (11), by striking the period at the end of  
14 paragraph (12) and inserting “, plus”, and by adding at  
15 the end the following new paragraph:

16           “(13) the energy efficient appliance credit de-  
17           termined under section 45D(a).”.

18          (d) CLERICAL AMENDMENT.—The table of sections  
19 for subpart D of part IV of subchapter A of chapter 1  
20 of the Internal Revenue Code of 1986 is amended by in-  
21 serting after the item relating to section 45C the following  
22 new item:

“Sec. 45D. Energy efficient appliance credit.”.

1           (e) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to taxable years beginning after  
3 December 31, 2000.

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