

107TH CONGRESS
1ST SESSION

S. 1212

To amend the Internal Revenue Code of 1986 to provide a credit against tax for qualified energy management devices, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JULY 20, 2001

Ms. CANTWELL introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to provide a credit against tax for qualified energy management devices, and for other purposes.

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 “Smart Metering Pro-
5 motion Act of 2001”.

6 **SEC. 2. ALLOWANCE OF CREDIT FOR QUALIFIED ENERGY**
7 **MANAGEMENT DEVICES AND RETROFITTED**
8 **QUALIFIED METERS.**

9 (a) IN GENERAL.—Subpart B of part IV of sub-
10 chapter A of chapter 1 of the Internal Revenue Code of

1 1986 (relating to foreign tax credits, etc.) is amended by
 2 inserting after section 30A the following new section:

3 **“SEC. 30B. CREDIT FOR QUALIFIED ENERGY MANAGEMENT**
 4 **DEVICES.**

5 “(a) ALLOWANCE OF CREDIT.—There shall be al-
 6 lowed as a credit against the tax imposed by this chapter
 7 for the taxable year—

8 “(1) an amount equal to the lesser of—

9 “(A) 50 percent of the cost of any quali-
 10 fied energy management device placed in service
 11 by the taxpayer during the taxable year, or

12 “(B) \$30 (\$250, in the case of a taxpayer
 13 who is a nonresidential consumer), and

14 “(2) for each qualified retrofitted meter origi-
 15 nally placed in service during the taxable year, an
 16 amount equal to the lesser of—

17 “(A) 50 percent of the adjusted basis of
 18 such meter, or

19 “(B) \$30 (\$250, in the case of a taxpayer
 20 who is a nonresidential consumer).

21 “(b) DEFINITIONS.—For purposes of this section—

22 “(1) QUALIFIED ENERGY MANAGEMENT DE-
 23 VICE.—The term ‘qualified energy management de-
 24 vice’ means equipment, systems, software, and re-
 25 lated devices which have as a purpose allowing elec-

1 tric energy or natural gas consumers, suppliers, and
2 service providers to manage the purchase, sale, and
3 use of electricity or natural gas in response to en-
4 ergy price and usage signals, in order to improve the
5 efficiency of energy and energy facility utilization.

6 “(2) QUALIFIED RETROFITTED METER.—The
7 term ‘qualified retrofitted meter’ means an electric
8 energy or natural gas meter or metering device that
9 has been modified by the addition of equipment
10 which has as a purpose allowing electric energy or
11 natural gas consumers, suppliers, and service pro-
12 viders to manage the purchase, sale, and use of elec-
13 tricity or natural gas in response to energy price and
14 usage signals, in order to improve the efficiency of
15 energy and energy facility utilization.

16 “(3) PLACED IN SERVICE.—The term ‘placed in
17 service’ means interconnected with other devices in
18 a manner that permits reading of energy price and
19 usage signals on at least an hourly basis.

20 “(4) COST OF METERS INCLUDES COST OF IN-
21 STALLATION.—The cost of any qualified energy
22 management device or qualified retrofitted meter re-
23 ferred to in paragraph (1) or (2) shall include the
24 cost of the original installation of such property.

25 “(c) SPECIAL RULES.—

1 “(1) DENIAL OF DOUBLE BENEFIT.—No deduc-
2 tion or other credit shall be allowed under this chap-
3 ter for any expenditure for which credit is allowed
4 under this section.

5 “(2) APPLICATION WITH OTHER CREDITS.—
6 The credit allowable under subsection (a) for any
7 taxable year shall not exceed the excess (if any) of—

8 “(A) the regular tax for the taxable year,
9 reduced by the sum of the credits allowable
10 under subpart A and sections 27, 29, and 30,
11 over

12 “(B) the tentative minimum tax for the
13 taxable year.

14 “(3) BASIS REDUCTION.—The basis of any
15 property for which a credit is allowable under sub-
16 section (a) shall be reduced by the amount of such
17 credit.

18 “(4) RECAPTURE.—The Secretary shall, by reg-
19 ulations, provide for recapturing the benefit of any
20 credit allowable under subsection (a) with respect to
21 any property that ceases to be property eligible for
22 such credit.

23 “(5) PROPERTY USED OUTSIDE THE UNITED
24 STATES, ETC., NOT QUALIFIED.—No credit shall be
25 allowed under subsection (a) with respect to any

1 property referred to in section 50(b)(1) or with re-
2 spect to the portion of the cost of any property
3 taken into account under section 179.

4 “(6) ELECTION TO NOT TAKE CREDIT.—No
5 credit shall be allowed under subsection (a) for any
6 energy management device or qualified retrofitted
7 meter if the taxpayer elects to not have this section
8 apply to such device or meter.

9 “(d) TERMINATION.—This section shall not apply to
10 property placed in service after December 31, 2005.”.

11 (b) CONFORMING AMENDMENTS.—

12 (1) The table of contents for subpart B of part
13 IV of subchapter A of chapter 1 of the Internal Rev-
14 enue Code of 1986 is amended by inserting after the
15 item relating to section 30A the following new item:

“Sec. 30B. Credit for qualified energy management devices.”.

16 (2) Section 1016(a) of such Code is amended
17 by striking “and” at the end of paragraph (27), by
18 striking the period at the end of paragraph (28) and
19 inserting “, and”, and by adding at the end the fol-
20 lowing new paragraph:

21 “(29) to the extent provided in section
22 30B(c)(3).”.

23 (c) EFFECTIVE DATE.—The amendments made by
24 this section shall apply to qualified energy management
25 devices placed in service after December 31, 2000, and

- 1 to qualified retrofitted meters that are placed in service
- 2 after, or that are in use as of, such date.

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