

109<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 4573

To increase the renewable fuel content of gasoline sold in the United States by the year 2025 to 25 billion gallons, to require Federal agencies to use ethanol and biodiesel in government vehicles, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

DECEMBER 16, 2005

Mr. WELLER introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committees on Agriculture, Ways and Means, and Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To increase the renewable fuel content of gasoline sold in the United States by the year 2025 to 25 billion gallons, to require Federal agencies to use ethanol and biodiesel in government vehicles, 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. RENEWABLE FUEL CONTENT OF GASOLINE.**

4 (a) CALENDAR YEARS FROM 2012 TO 2025.—Clause  
5 (i) of section 211(o)(2)(B) of the Clean Air Act (42 U.S.C.  
6 7545(o)(2)(B)) is amended by striking “2006 through

1 2012” in each place it appears and inserting “2006  
 2 through 2025” and by adding the following new table at  
 3 the end thereof:

<b>“Applicable volume of renewable fuel (in billions of gallons):</b>	<b>Calendar year:</b>
8.9 .....	2013
10.3 .....	2014
11.7 .....	2015
12.1 .....	2016
13.5 .....	2017
14.9 .....	2018
16.3 .....	2019
17.7 .....	2020
19.4 .....	2021
20.8 .....	2022
22.2 .....	2023
23.6 .....	2024
25 .....	2025”.

4 (b) CALENDAR YEARS AFTER 2025.—Section  
 5 211(o)(2)(B) of such Act is amended by striking clauses  
 6 (ii) through (iv) and inserting the following:

7 “(ii) CALENDAR YEARS AFTER 2025.—  
 8 For the purposes of subparagraph (A), for  
 9 calendar years after 2025 the applicable  
 10 volume shall be equal to the product ob-  
 11 tained by multiplying subclause (I) by sub-  
 12 clause (II) of this clause.

13 “(I) The number of gallons of  
 14 gasoline that the Administrator esti-  
 15 mates will be sold or introduced into  
 16 commerce in the calendar year con-  
 17 cerned.

1                   “(II)     The     ratio     that  
2                   25,000,000,000 gallons bears to the  
3                   number of gallons of gasoline sold or  
4                   introduced into commerce in calendar  
5                   year 2025”.

6           (c) CREDIT FOR 85 PERCENT ETHANOL BLEND.—  
7 Section 211(o)(4) of such Act is amended by inserting “or  
8 85 percent ethanol blend” in the heading before the period  
9 and by adding the following at the end thereof “For the  
10 purposes of paragraph (2), 1 gallon of a fuel blend con-  
11 taining 85 percent ethanol and 15 percent gasoline shall  
12 be considered to be the equivalent of 1.5 gallons of renew-  
13 able fuel.”.

14           (d) CONFORMING AMENDMENTS.—Paragraph (3)  
15 and (6) of section 211(o) of such Act are each amended  
16 by striking “2011” and “2012” in each place it appears  
17 and inserting “2024” and “2025” respectively.

18 **SEC. 2. FEDERAL AGENCY ETHANOL-BLENDED GASOLINE**  
19                   **AND BIODIESEL PURCHASING REQUIRE-**  
20                   **MENT.**

21           Title III of the Energy Policy Act of 1992 is amended  
22 by striking section 306 (42 U.S.C. 13215) and inserting  
23 the following:

1 **“SEC. 306. FEDERAL AGENCY ETHANOL-BLENDED GASO-**  
2 **LINE AND BIODIESEL PURCHASING REQUIRE-**  
3 **MENT.**

4 “(a) ETHANOL-BLENDED GASOLINE.—The head of  
5 each Federal agency shall ensure that, in areas in which  
6 ethanol-blended gasoline is reasonably available at a gen-  
7 erally competitive price, the Federal agency purchases eth-  
8 anol-blended gasoline containing at least 10 percent eth-  
9 anol rather than nonethanol-blended gasoline, for use in  
10 vehicles used by the agency that use gasoline.

11 “(b) BIODIESEL.—

12 “(1) DEFINITION OF BIODIESEL.—In this sub-  
13 section, the term ‘biodiesel’ has the meaning given  
14 the term in section 312(f).

15 “(2) REQUIREMENT.—The head of each Fed-  
16 eral agency shall ensure that the Federal agency  
17 purchases, for use in fueling fleet vehicles that use  
18 diesel fuel used by the Federal agency at the loca-  
19 tion at which fleet vehicles of the Federal agency are  
20 centrally fueled, in areas in which the biodiesel-  
21 blended diesel fuel described in subparagraphs (A)  
22 and (B) is available at a generally competitive  
23 price—

24 “(A) as of the date that is 5 years after  
25 the date of enactment of this paragraph, bio-  
26 diesel-blended diesel fuel that contains at least



1           (1) by redesignating subsection (c), as amended  
2           by subsection (a), as subsection (d); and

3           (2) by inserting after subsection (b) the fol-  
4           lowing new subsection:

5           “(c) CONTRACT PRIORITIES.—In entering into con-  
6           tracts under this section, the Secretary shall give priority  
7           to eligible producers participating in bioenergy initiatives  
8           involving—

9           “(1) the production of cellulosic ethanol, includ-  
10          ing how to make it more cost effective; and

11          “(2) the production of hydrogen using ethanol  
12          technology.”.

13 **SEC. 4. 7-YEAR DEPRECIATION OF ETHANOL AND BIO-**  
14 **DIESEL REFINING PROPERTY.**

15          (a) IN GENERAL.—Subparagraph (C) of section  
16 168(e)(3) of the Internal Revenue Code of 1986 (relating  
17 to 7-year property) is amended by striking “and” at the  
18 end of clause (iv), by redesignating clause (v) as clause  
19 (vi), and by inserting after clause (iv) the following new  
20 clause:

21                           “(v) any ethanol or biodiesel refining  
22                           property.”.

23          (b) ETHANOL OR BIODIESEL REFINING PROP-  
24          ERTY.—Section 168(i) of such Code is amended by adding  
25          at the end the following new paragraph:

1           “(18) ETHANOL OR BIODIESEL REFINING  
2           PROPERTY.—The term ‘ethanol and biodiesel refin-  
3           ing property’ means—

4                   “(A) property used to produce biodiesel (as  
5                   defined in section 40A(d)(1)), and

6                   “(B) property used to produce ethanol  
7                   other than from petroleum, natural gas, or coal  
8                   (including lignite).”.

9           (c) ALTERNATIVE DEPRECIATION SYSTEM.—The  
10          table contained in section 168(g)(3)(B) of such Code (re-  
11          lating to special rule for certain property assigned to class-  
12          es) is amended by inserting after the item relating to sub-  
13          paragraph (C)(iv) the following new item:

                  “(C)(v) ..... 7”.

14          (d) ALTERNATIVE MINIMUM TAX.—Subparagraph  
15          (B) of section 56(a)(1) of such Code is amended by strik-  
16          ing “section 168(e)(3)(C)(iv)” and inserting “clause (iv)  
17          or (v) of section 168(e)(3)(C)”.

18          (e) EFFECTIVE DATE.—

19                   (1) IN GENERAL.—The amendments made by  
20                   this section shall apply to property placed in service  
21                   after the date of the enactment of this Act.

22                   (2) EXCEPTION.—The amendments made by  
23                   this section shall not apply to any property with re-  
24                   spect to which the taxpayer or a related party has

1 entered into a binding contract for the construction  
2 thereof on or before such date, or, in the case of  
3 self-constructed property, has started construction  
4 on or before such date.

5 **SEC. 5. STREAMLINED PERMITTING.**

6 The Secretary of Energy shall undertake a study to  
7 evaluate current permitting requirements applicable to the  
8 construction of new petroleum industry facilities (includ-  
9 ing refineries, pipelines, and related facilities). The study  
10 shall identify the problems and identify improvements.  
11 The Secretary shall submit a report the Congress con-  
12 taining the results of the study.

13 **SEC. 6. EXTENSION AND EXPANSION OF TAX INCENTIVES**  
14 **FOR RENEWABLE FUELS.**

15 (a) ALTERNATIVE TECHNOLOGY VEHICLE CRED-  
16 IT.—

17 (1) EXTENSION.—Subsection (j) of section 30B  
18 of the Internal Revenue Code of 1986 (relating to  
19 alternative motor vehicle credit) is amended to read  
20 as follows:

21 “(j) TERMINATION.—This section shall not apply to  
22 any property purchased after December 31, 2014.”.

23 (2) INCREASED CREDIT FOR CERTAIN HYBRID-  
24 FLEXIBLE FUEL VEHICLES.—

1 (A) IN GENERAL.—Subsection (a) of sec-  
2 tion 30B of such Code is amended by striking  
3 “and” at the end of paragraph (3), by striking  
4 paragraph (4), and by inserting after paragraph  
5 (3) the following new paragraphs:

6 “(4) the new flexible fuel hybrid motor vehicle  
7 credit determined under subsection (e), and

8 “(5) the new qualified alternative fuel motor ve-  
9 hicle credit determined under subsection (f).”.

10 (B) NEW FLEXIBLE FUEL HYBRID MOTOR  
11 VEHICLE CREDIT.—Section 30B of such Code is  
12 amended by redesignating subsections (e)  
13 through (j) as subsections (f) through (k), re-  
14 spectively, and by inserting after subsection (d)  
15 the following new subsection:

16 “(e) NEW FLEXIBLE FUEL HYBRID MOTOR VEHI-  
17 CLE CREDIT.—

18 “(1) IN GENERAL.—For purposes of subsection  
19 (a), the new flexible fuel hybrid motor vehicle credit  
20 determined under this subsection for the taxable  
21 year is the credit amount determined under para-  
22 graph (2) with respect to a new hybrid flexible fuel  
23 motor vehicle placed in service by the taxpayer dur-  
24 ing the taxable year.

25 “(2) CREDIT AMOUNT.—

1                   “(A) IN GENERAL.—The credit amount de-  
 2                   termined under this paragraph shall be deter-  
 3                   mined in accordance with the following table:

**“In the case of a vehicle the city  
 fuel economy of which  
 (expressed as a percentage of  
 the city fuel economy of the  
 comparable vehicle referred  
 to in paragraph (3)(B)) is—**

	<b>The credit amount is—</b>
At least 125 percent but less than 150 percent .....	\$1,500
At least 150 percent but less than 175 percent .....	\$2,000
At least 175 percent but less than 200 percent .....	\$2,500
At least 200 percent but less than 225 percent .....	\$3,000
At least 225 percent .....	\$3,500.

4                   “(B) FUEL ECONOMY.—For purposes of  
 5                   subparagraph (A), the city fuel economy of the  
 6                   vehicle for which the credit is being determined  
 7                   shall be determined on a E-85 ethanol gallon  
 8                   equivalent basis (as determined by the Adminis-  
 9                   trator of the Environmental Protection Agen-  
 10                  cy), and the city fuel economy of the com-  
 11                  parable vehicle referred to in paragraph (3)(B)  
 12                  shall be determined on a gasoline gallon equiva-  
 13                  lent basis (as so determined).

14                  “(3) NEW FLEXIBLE FUEL HYBRID MOTOR VE-  
 15                  HICLE.—For purposes of this subsection, the term  
 16                  ‘new flexible fuel hybrid motor vehicle’ means a new  
 17                  qualified hybrid motor vehicle—

18                         “(A) which is capable of operating on an  
 19                         alternative fuel, on gasoline, and on any blend  
 20                         thereof, and

1           “(B) which is certified by the Adminis-  
2           trator of the Environmental Protection Agency,  
3           in consultation with the manufacturer, to have  
4           achieved a city fuel economy using E-85 eth-  
5           anol which is at least 125 percent of the city  
6           fuel economy of a comparable vehicle that is a  
7           nonhybrid internal combustion vehicle fueled by  
8           gasoline.

9           “(4) COORDINATION WITH SUBSECTION (d).—  
10          Subsection (d) shall not apply to any motor vehicle  
11          for which credit is allowed under this subsection.”.

12           (C) VEHICLES INCLUDED IN NUMERIC  
13          LIMITATION.—Paragraph (1) of section 30B(g)  
14          of such Code, as redesignated by subparagraph  
15          (A), is amended by striking “or (d)” and insert-  
16          ing “, (d), or (e)”.

17           (D) CONFORMING AMENDMENTS.—

18           (i) Subparagraph (A) of section  
19           30B(i)(5) of such Code, as so redesignated,  
20           is amended by striking “subsection (e)”  
21           and inserting “subsection (f)”.

22           (ii) Paragraph (6) of section 30B(i) of  
23           such Code, as so redesignated, is amended  
24           by striking “subsection (g)” and inserting  
25           “subsection (h)”.

1 (iii) Subsection (b) of section 38 of  
2 such Code is amended by striking “section  
3 30B(g)(1)” and inserting “section  
4 30B(h)(1)”.

5 (iv) Paragraph (36) of section  
6 1016(a) of such Code is amended by strik-  
7 ing “section 30B(h)(4)” and inserting  
8 “section 30B(i)(4)”.

9 (b) ALTERNATIVE FUEL VEHICLE REFUELING  
10 PROPERTY CREDIT.—

11 (1) EXTENSION.—Subsection (g) of section 30C  
12 of such Code is amended to read as follows:

13 “(g) TERMINATION.—This section shall not apply to  
14 any property placed in service after December 31, 2024.”.

15 (2) INCREASE.—Subsection (a) of section 30C  
16 of such Code is amended to read as follows:

17 “(a) CREDIT ALLOWED.—There shall be allowed as  
18 a credit against the tax imposed by this chapter for the  
19 taxable year an amount equal to the applicable percentage  
20 of the cost of any qualified alternative fuel vehicle refuel-  
21 ing property placed in service by the taxpayer during the  
22 taxable year.

23 “(b) APPLICABLE PERCENTAGE.—For purposes of  
24 subsection (a), the applicable percentage is—

<b>“In the case of taxable years beginning during:</b>	<b>The applicable percentage is:</b>
2006 through 2010 .....	75 percent
2011 through 2015 .....	50 percent
2016 through 2024 .....	25 percent.”.

1           (c) VOLUMETRIC EXCISE TAX CREDIT FOR ALTER-  
2 NATIVE FUELS; ALTERNATIVE FUEL MIXTURE CRED-  
3 IT.—

4           (1) VOLUMETRIC EXCISE TAX CREDIT.—Para-  
5 graph (4) of section 6426(d) of such Code is amend-  
6 ed to read as follows:

7           “(4) TERMINATION.—This subsection shall not  
8 apply to any sale or use after September 30, 2014.”.

9           (2) ALTERNATIVE FUEL MIXTURE CREDIT.—  
10 Paragraph (3) of section 6426(e) of such Code is  
11 amended to read as follows:

12           “(3) TERMINATION.—This subsection shall not  
13 apply to any sale or use for any period after Sep-  
14 tember 30, 2014.”.

15           (3) CONFORMING AMENDMENT.—Paragraph (5)  
16 of section 6427(e) of such Code is amended by add-  
17 ing “and” at the end of subparagraph (B), by strik-  
18 ing subparagraphs (C) and (D) and inserting the  
19 following new subparagraph:

20           “(C) any alternative fuel or alternative fuel  
21 mixture (as defined in subsection (d)(2) or  
22 (e)(3) of section 6426) sold or used after Sep-  
23 tember 30, 2014.”.

1 (d) BIODIESEL PRODUCER CREDIT.—Subsection (g)  
2 of section 40A of such Code is amended by striking “De-  
3 cember 31, 2008” and inserting “December 31, 2024”.

4 (e) SMALL ETHANOL PRODUCER CREDIT.—Para-  
5 graph (1) of section 40(e) of such Code is amended by  
6 adding at the end the following flush sentence:

7 “In the case of the small ethanol producer credit  
8 under subsection (a)(3), the preceding sentence shall  
9 be applied by substituting ‘December 31, 2024’ for  
10 ‘December 31, 2010’ and by substituting ‘January  
11 1, 2025’ for ‘January 1, 2016’.”.

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