

109TH CONGRESS
2^D SESSION

H. R. 5856

To amend the Internal Revenue Code of 1986 to allow the allocation of the alternative fuel vehicle refueling property credit to patrons of agricultural cooperatives.

IN THE HOUSE OF REPRESENTATIVES

JULY 20, 2006

Ms. DELAURO (for herself, Mr. BOSWELL, Ms. KAPTUR, Mr. SKELTON, Mr. BROWN of Ohio, Mr. GRIJALVA, and Ms. MCCOLLUM of Minnesota) 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 allow the allocation of the alternative fuel vehicle refueling property credit to patrons of agricultural cooperatives.

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. ALLOCATION OF ALTERNATIVE FUEL VEHICLE**
4 **REFUELING PROPERTY CREDIT TO PATRONS**
5 **OF AGRICULTURAL COOPERATIVES.**

6 (a) IN GENERAL.—Subsection (e) of section 30C of
7 the Internal Revenue Code of 1986 (relating to special

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

3 “(6) ALLOCATION OF CREDIT TO PATRONS OF
4 AGRICULTURAL COOPERATIVE.—

5 “(A) ELECTION TO ALLOCATE.—

6 “(i) IN GENERAL.—In the case of an
7 eligible cooperative organization, any por-
8 tion of the credit determined under sub-
9 section (a) for the taxable year may, at the
10 election of the organization, be apportioned
11 among patrons of the organization on the
12 basis of the amount of business done by
13 the patrons during the taxable year.

14 “(ii) FORM AND EFFECT OF ELEC-
15 TION.—An election under clause (i) for any
16 taxable year shall be made on a timely
17 filed return for such year. Such election,
18 once made, shall be irrevocable for such
19 taxable year. Such election shall not take
20 effect unless the organization designates
21 the apportionment as such in a written no-
22 tice mailed to its patrons during the pay-
23 ment period described in section 1382(d).

24 “(B) TREATMENT OF ORGANIZATIONS AND
25 PATRONS.—The amount of the credit appor-

1 tioned to any patrons under subparagraph
2 (A)—

3 “(i) shall not be included in the
4 amount determined under subsection (a)
5 with respect to the organization for the
6 taxable year, and

7 “(ii) shall be included in the amount
8 determined under subsection (a) for the
9 first taxable year of each patron ending on
10 or after the last day of the payment period
11 (as defined in section 1382(d)) for the tax-
12 able year of the organization or, if earlier,
13 for the taxable year of each patron ending
14 on or after the date on which the patron
15 receives notice from the cooperative of the
16 apportionment.

17 “(C) SPECIAL RULES FOR DECREASE IN
18 CREDITS FOR TAXABLE YEAR.—If the amount
19 of the credit of a cooperative organization de-
20 termined under subsection (a) for a taxable
21 year is less than the amount of such credit
22 shown on the return of the cooperative organi-
23 zation for such year, an amount equal to the
24 excess of—

25 “(i) such reduction, over

1 “(ii) the amount not apportioned to
2 such patrons under subparagraph (A) for
3 the taxable year,
4 shall be treated as an increase in tax imposed
5 by this chapter on the organization. Such in-
6 crease shall not be treated as tax imposed by
7 this chapter for purposes of determining the
8 amount of any credit under this chapter.

9 “(D) ELIGIBLE COOPERATIVE DEFINED.—
10 For purposes of this section the term ‘eligible
11 cooperative’ means a cooperative organization
12 described in section 1381(a) which is owned
13 more than 50 percent by agricultural producers
14 or by entities owned by agricultural producers.
15 For this purpose an entity owned by an agricul-
16 tural producer is one that is more than 50 per-
17 cent owned by agricultural producers.”.

18 (b) CONFORMING AMENDMENT.—The last sentence
19 of section 55(c)(1) of such Code is amended by inserting
20 “30C(e)(6),” after “section”.

21 (c) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to taxable years of cooperative or-
23 ganizations ending after the date of the enactment of this
24 Act.

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