

110TH CONGRESS
1ST SESSION

H. R. 4612

To amend the Internal Revenue Code of 1986 to provide an investment credit for electric generation facilities with climate neutral combustion.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 13, 2007

Mr. COSTA (for himself, Mr. MCCARTHY of California, and Mr. DANIEL E. LUNGREN of California) 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 provide an investment credit for electric generation facilities with climate neutral combustion.

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 “Climate Neutral Elec-
5 tricity Generation Act of 2007”.

6 **SEC. 2. CLIMATE NEUTRAL COMBUSTION CREDIT.**

7 (a) IN GENERAL.—Section 46 of the Internal Rev-
8 enue Code of 1986 (relating to amount of credit) is
9 amended by striking “and” at the end of paragraph (3),

1 by striking the period at the end of paragraph (4) and
2 inserting “, and”, and by adding at the end the following
3 new paragraph:

4 “(5) the climate neutral combustion credit.”.

5 (b) AMOUNT OF CREDIT.—Subpart E of part IV of
6 subchapter A of chapter 1 of such Code (relating to rules
7 for computing investment credit) is amended by inserting
8 after section 48B the following new section:

9 **“SEC. 48C. CLIMATE NEUTRAL COMBUSTION CREDIT.**

10 “(a) IN GENERAL.—For purposes of section 46, the
11 climate neutral combustion credit for any taxable year is
12 an amount equal to 20 percent of the qualified investment
13 for such taxable year.

14 “(b) QUALIFIED INVESTMENT.—

15 “(1) IN GENERAL.—For purposes of subsection
16 (a), the qualified investment for any taxable year is
17 the basis of any property placed in service by the
18 taxpayer during such taxable year which is part of
19 a climate neutral combustion facility—

20 “(A)(i) the construction, reconstruction, or
21 erection of which is completed by the taxpayer,
22 or

23 “(ii) which is acquired by the taxpayer if
24 the original use of such property commences
25 with the taxpayer, and

1 “(B) with respect to which depreciation (or
2 amortization in lieu of depreciation) is allow-
3 able.

4 “(2) SPECIAL RULE FOR CERTAIN SUBSIDIZED
5 PROPERTY.—Rules similar to section 48(a)(4) shall
6 apply for purposes of this section.

7 “(3) CERTAIN QUALIFIED PROGRESS EXPENDI-
8 TURES RULES MADE APPLICABLE.—Rules similar to
9 the rules of subsections (c)(4) and (d) of section 46
10 (as in effect on the day before the enactment of the
11 Revenue Reconciliation Act of 1990) shall apply for
12 purposes of this section.

13 “(c) CLIMATE NEUTRAL COMBUSTION FACILITY.—
14 For purposes of this section, the term ‘climate neutral
15 combustion facility’ means any facility which—

16 “(1) burns matter to produce electricity,

17 “(2) captures the carbon dioxide released dur-
18 ing combustion and uses such carbon dioxide to re-
19 cover hydrocarbon fuel from below ground, and

20 “(3) produces no atmospheric emissions of mer-
21 cury or greenhouse gasses and no emissions that
22 form fine particulate, smog, or acid rain.

23 “(d) DENIAL OF DOUBLE BENEFIT.—A credit shall
24 not be allowed under this section for any qualified invest-

1 ment for which a credit is allowed under section 48A or
2 48B.”.

3 (c) CONFORMING AMENDMENTS.—

4 (1) Section 49(a)(1)(C) of such Code is amend-
5 ed by striking “and” at the end of clause (iii), by
6 striking the period at the end of clause (iv) and in-
7 serting “, and”, and by adding at the end the fol-
8 lowing new clause:

9 “(v) the basis of any property which
10 is part of a qualifying climate neutral com-
11 bustion facility.”.

12 (2) The table of sections for subpart E of part
13 IV of subchapter A of chapter 1 of such Code is
14 amended by inserting after the item relating to sec-
15 tion 48B the following new item:

“Sec. 48C. Climate neutral combustion credit.”.

16 (d) EFFECTIVE DATE.—The amendments made by
17 this section shall apply to periods after the date of the
18 enactment of this Act, under rules similar to the rules of
19 section 48(m) of the Internal Revenue Code of 1986 (as
20 in effect on the day before the date of the enactment of
21 the Revenue Reconciliation Act of 1990).

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