

110TH CONGRESS  
1ST SESSION

# S. 1630

To amend the Internal Revenue Code of 1986 to exclude certain tax-exempt financing of electric transmission facilities from the private business use test.

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IN THE SENATE OF THE UNITED STATES

JUNE 14, 2007

Mr. CRAPO (for himself and Mr. CRAIG) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to exclude certain tax-exempt financing of electric transmission facilities from the private business use test.

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. TAX-EXEMPT FINANCING OF CERTAIN ELEC-**  
4 **TRIC TRANSMISSION FACILITIES NOT SUB-**  
5 **JECT TO PRIVATE BUSINESS USE TEST.**

6 (a) IN GENERAL.—Section 141(b)(6) of the Internal  
7 Revenue Code of 1986 (defining private business use) is  
8 amended by adding at the end the following new subpara-  
9 graph:

1           “(C) EXCEPTION FOR CERTAIN ELECTRIC  
2 TRANSMISSION FACILITIES.—For purposes of  
3 the 1st sentence of subparagraph (A), the oper-  
4 ation or use of an electric transmission facility  
5 by any person which is not a governmental unit  
6 shall not be considered a private business use  
7 if—

8           “(i) the facility is placed in service on  
9 or after the date of the enactment of this  
10 subparagraph and is owned by—

11           “(I) a State or political subdivi-  
12 sion of a State, or any agency, au-  
13 thority, or instrumentality of any of  
14 the foregoing providing electric serv-  
15 ice, directly or indirectly to the public,  
16 or

17           “(II) a State or political subdivi-  
18 sion of a State expressly authorized  
19 under applicable State law effective on  
20 or after January 1, 2004, to finance  
21 and own electric transmission facili-  
22 ties, and

23           “(ii) bonds for such facility are issued  
24 before the date which is 5 years after the

1                   date of the enactment of this subpara-  
2                   graph.”.

3       (b) EFFECTIVE DATE.—The amendment made by  
4 this section shall apply to bonds issued after the date of  
5 the enactment of this Act.

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