

110TH CONGRESS
2D SESSION

S. 3323

To provide weatherization and home heating assistance to low income households, and to provide a heating oil tax credit for middle income households.

IN THE SENATE OF THE UNITED STATES

JULY 24 (legislative day, JULY 23), 2008

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

A BILL

To provide weatherization and home heating assistance to low income households, and to provide a heating oil tax credit for middle income households.

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 “Weatherization, Assist-
5 ance, and Relief for Middle-Income Households Act of
6 2008” or the “WARM Act of 2008”.

1 **SEC. 2. LOW-INCOME HOME ENERGY ASSISTANCE APPRO-**
2 **PRIATIONS.**

3 In addition to any amounts appropriated under any
4 other provision of Federal law, there is appropriated, out
5 of any money in the Treasury not otherwise appropriated,
6 for fiscal year 2008—

7 (1) \$1,265,000,000 (to remain available until
8 expended) for making payments under subsections
9 (a) through (d) of section 2604 of the Low-Income
10 Home Energy Assistance Act of 1981 (42 U.S.C.
11 8623); and

12 (2) \$1,265,000,000 (to remain available until
13 expended) for making payments under section
14 2604(e) of the Low-Income Home Energy Assist-
15 ance Act of 1981 (42 U.S.C. 8623(e)), notwith-
16 standing the designation requirement of section
17 2602(e) of such Act (42 U.S.C. 8621(e)).

18 **SEC. 3. WEATHERIZATION ASSISTANCE PROGRAM FOR**
19 **LOW-INCOME PERSONS.**

20 In addition to any amounts appropriated under any
21 other provision of Federal law, there is appropriated, out
22 of any money in the Treasury not otherwise appropriated,
23 for fiscal year 2008 \$523,000,000 to carry out the Weath-
24 erization Assistance Program for Low-Income Persons es-
25 tablished under part A of title IV of the Energy Conserva-

tion and Production Act (42 U.S.C. 6861 et seq.), to remain available until expended.

SEC. 4. CREDIT FOR HOME HEATING OIL EXPENDITURES.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to nonrefundable personal credits) is amended by inserting after section 25D the following new section:

“SEC. 25E. HOME HEATING OIL EXPENDITURES.

“(a) ALLOWANCE OF CREDIT.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 50 percent of the qualified home heating oil expenditures made by the taxpayer during such taxable year.

“(b) LIMITATIONS.—

“(1) MAXIMUM CREDIT.—The credit allowed under subsection (a) for any taxable year shall not exceed \$1,000 (\$2,000 in the case of a joint return).

“(2) LIMITATION BASED ON ADJUSTED GROSS INCOME.—The amount which would (but for this paragraph) be taken into account under subsection (a) for the taxable year shall be reduced (but not below zero) by 10 percent (20 percent in the case of a joint return) of so much of the taxpayer’s adjusted

1 gross income as exceeds \$60,000 (\$90,000 in the
2 case of a joint return).

3 “(c) QUALIFIED HOME HEATING OIL EXPENDI-
4 TURES.—For purposes of this section, the term ‘qualified
5 home heating oil expenditures’ means any expenditures for
6 the purchase of heating oil that—

7 “(1) are made for the purpose of heating a
8 dwelling unit or heating water for use in a dwelling
9 unit located in the United States and used as a resi-
10 dence by the taxpayer, and

11 “(2) are made on or after June 1, 2008, and
12 before January 1, 2009.”.

13 (b) CONFORMING AMENDMENTS.—

14 (1) Section 24(b)(3)(B) of the Internal Revenue
15 Code of 1986 is amended by striking “and 25B”
16 and inserting “, 25B, and 25E”.

17 (2) Section 25(e)(1)(C)(ii) of such Code is
18 amended by inserting “25E,” after “25D,”.

19 (3) Section 25B(g)(2) of such Code is amended
20 by striking “section 23” and inserting “sections 23
21 and 25E”.

22 (4) Section 25D(c)(2) of such Code is amended
23 by striking “and 25B” and inserting “25B, and
24 25E”.

1 (5) Section 26(a)(1) of such Code is amended
 2 by striking “and 25B” and inserting “25B, and
 3 25E”.

4 (6) Section 904(i) of such Code is amended by
 5 striking “and 25B” and inserting “25B, and 25E”.

6 (7) Section 1400C(d)(2) of such Code is
 7 amended by striking “and 25D” and inserting
 8 “25D, and 25E”.

9 (c) CLERICAL AMENDMENT.—The table of sections
 10 for subpart A of chapter 1 of the Internal Revenue Code
 11 of 1986 is amended by inserting after the item relating
 12 to section 25D the following new item:

“Sec. 25E. Home heating oil expenditures.”.

13 **SEC. 5. DENIAL OF DEDUCTION FOR MAJOR INTEGRATED**
 14 **OIL COMPANIES FOR INCOME ATTRIBUTABLE**
 15 **TO DOMESTIC PRODUCTION OF OIL, GAS, OR**
 16 **PRIMARY PRODUCTS THEREOF.**

17 (a) IN GENERAL.—Subparagraph (B) of section
 18 199(c)(4) of the Internal Revenue Code of 1986 (relating
 19 to exceptions) is amended by striking “or” at the end of
 20 clause (ii), by striking the period at the end of clause (iii)
 21 and inserting “, or”, and by inserting after clause (iii) the
 22 following new clause:

23 “(iv) in the case of any major inte-
 24 grated oil company (as defined in section
 25 167(h)(5)(B)), the production, refining,

1 processing, transportation, or distribution
 2 of oil, gas, or any primary product thereof
 3 during any taxable year described in sec-
 4 tion 167(h)(5)(B).”.

5 (b) PRIMARY PRODUCT.—Section 199(c)(4)(B) of
 6 such Code is amended by adding at the end the following
 7 flush sentence:

8 “For purposes of clause (iv), the term ‘primary
 9 product’ has the same meaning as when used in
 10 section 927(a)(2)(C), as in effect before its re-
 11 peal.”.

12 (c) EFFECTIVE DATE.—The amendments made by
 13 this section shall apply to taxable years beginning after
 14 December 31, 2008.

15 **SEC. 6. CLARIFICATION OF DETERMINATION OF FOREIGN**
 16 **OIL AND GAS EXTRACTION INCOME.**

17 (a) IN GENERAL.—Paragraph (1) of section 907(c)
 18 of the Internal Revenue Code of 1986 is amended by re-
 19 designating subparagraph (B) as subparagraph (C), by
 20 striking “or” at the end of subparagraph (A), and by in-
 21 serting after subparagraph (A) the following new subpara-
 22 graph:

23 “(B) so much of any transportation of
 24 such minerals as occurs before the fair market
 25 value event, or”.

1 (b) FAIR MARKET VALUE EVENT.—Subsection (c) of
 2 section 907 of the Internal Revenue Code of 1986 is
 3 amended by adding at the end the following new para-
 4 graph:

5 “(6) FAIR MARKET VALUE EVENT.—For pur-
 6 poses of this section, the term ‘fair market value
 7 event’ means, with respect to any mineral, the first
 8 point in time at which such mineral—

9 “(A) has a fair market value which can be
 10 determined on the basis of a transfer, which is
 11 an arm’s length transaction, of such mineral
 12 from the taxpayer to a person who is not re-
 13 lated (within the meaning of section 482) to
 14 such taxpayer, or

15 “(B) is at a location at which the fair mar-
 16 ket value is readily ascertainable by reason of
 17 transactions among unrelated third parties with
 18 respect to the same mineral (taking into ac-
 19 count source, location, quality, and chemical
 20 composition).”.

21 (c) SPECIAL RULE FOR CERTAIN PETROLEUM
 22 TAXES.—Subsection (c) of section 907 of the Internal
 23 Revenue Code of 1986, as amended by subsection (b), is
 24 amended by adding at the end the following new para-
 25 graph:

1 “(7) OIL AND GAS TAXES.—In the case of any
 2 tax imposed by a foreign country which is limited in
 3 its application to taxpayers engaged in oil or gas ac-
 4 tivities—

5 “(A) the term ‘oil and gas extraction taxes’
 6 shall include such tax,

7 “(B) the term ‘foreign oil and gas extrac-
 8 tion income’ shall include any taxable income
 9 which is taken into account in determining such
 10 tax (or is directly attributable to the activity to
 11 which such tax relates), and

12 “(C) the term ‘foreign oil related income’
 13 shall not include any taxable income which is
 14 treated as foreign oil and gas extraction income
 15 under subparagraph (B).”.

16 (d) CONFORMING AMENDMENTS.—

17 (1) Subparagraph (C) of section 907(c)(1) of
 18 the Internal Revenue Code of 1986, as redesignated
 19 by this section, is amended by inserting “or used by
 20 the taxpayer in the activity described in subpara-
 21 graph (B)” before the period at the end.

22 (2) Subparagraph (B) of section 907(c)(2) of
 23 such Code is amended to read as follows:

1 “(B) so much of the transportation of such
2 minerals or primary products as is not taken
3 into account under paragraph (1)(B),”.

4 (e) EFFECTIVE DATE.—The amendments made by
5 this section shall apply to taxable years beginning after
6 the date of the enactment of this Act.

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