

117TH CONGRESS
2^D SESSION

H. R. 9155

To amend the Internal Revenue Code of 1986 to impose the alternative minimum tax on certain State regulated electric utilities that have not fully adopted climate-resilient infrastructure.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 7, 2022

Mr. HARDER 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 impose the alternative minimum tax on certain State regulated electric utilities that have not fully adopted climate-resilient infrastructure.

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 “No Bonuses for Execu-
5 tives Act of 2022”.

1 **SEC. 2. ALTERNATIVE MINIMUM TAX IMPOSED ON CERTAIN**
2 **STATE REGULATED ELECTRIC UTILITIES.**

3 (a) IN GENERAL.—Section 55(a) of the Internal Rev-
4 enue Code of 1986 is amended by inserting “a corporation
5 described in subsection (f) or” after “In the case of”.

6 (b) CERTAIN STATE REGULATED ELECTRIC UTILI-
7 TIES.—Section 55 of the Internal Revenue Code of 1986
8 is amended by adding at the end the following new sub-
9 section:

10 “(f) CERTAIN STATE REGULATED ELECTRIC UTILI-
11 TIES.—

12 “(1) IN GENERAL.—A corporation is described
13 in this subsection if it is—

14 “(A) a State regulated electric utility (as
15 such term is defined in section 3(18) of the
16 Public Utility Regulatory Policies Act of 1978),

17 “(B) a debtor in a case commenced under
18 title 11 of the United States Code on January
19 29, 2019, and

20 “(C) a corporation that—

21 “(i) makes payments, other than pay-
22 ments of salary, that are incentive-based
23 cash payments to any of the 13 highest-
24 compensated employees of such corpora-
25 tion, and

1 “(ii) owns or leases infrastructure
2 other than climate-resilient infrastructure.

3 “(2) CLIMATE-RESILIENT INFRASTRUCTURE.—

4 For purposes of this section, the term ‘climate-resilient
5 infrastructure’ means infrastructure with the
6 ability to reduce the impact of major weather events
7 and natural disasters.

8 “(3) SPECIAL RULE FOR AFFILIATED

9 GROUPS.—If any member of an affiliated group of
10 corporations that files a consolidated return is a cor-
11 poration described in this subsection, all members of
12 such group shall be considered corporations de-
13 scribed in this subsection for purposes of chapter 6
14 of the Internal Revenue Code of 1986.”.

15 (c) CONFORMING AMENDMENTS.—

16 (1) Section 38(c)(6) of the Internal Revenue
17 Code of 1986 is amended by inserting “described in
18 section 55(f)” after “In the case of a corporation”.

19 (2) Section 55(b)(1) of such Code is amended
20 to read as follows:

21 “(1) AMOUNT OF TENTATIVE TAX.—

22 “(A) NONCORPORATE TAXPAYERS.—

23 “(i) IN GENERAL.—In the case of a
24 taxpayer other than a corporation, the ten-

1 tative minimum tax for the taxable year is
2 the sum of—

3 “(I) 26 percent of so much of the
4 taxable excess as does not exceed
5 \$175,000, plus—

6 “(II) 28 percent of so much of
7 the taxable excess as exceeds
8 \$175,000.

9 The amount determined under the pre-
10 ceding sentence shall be reduced by the al-
11 ternative minimum tax foreign tax credit
12 for the taxable year.

13 “(ii) TAXABLE EXCESS.—For pur-
14 poses of this subsection, the term ‘taxable
15 excess’ means so much of the alternative
16 minimum taxable income for the taxable
17 year as exceeds the exemption amount.

18 “(iii) MARRIED INDIVIDUAL FILING
19 SEPARATE RETURN.—In the case of a mar-
20 ried individual filing a separate return,
21 clause (i) shall be applied by substituting
22 50 percent of the dollar amount otherwise
23 applicable under subclause (I) and sub-
24 clause (II) thereof. For purposes of the

1 preceding sentence, marital status shall be
2 determined under section 7703.

3 “(B) CORPORATIONS.—In the case of a
4 corporation described in subsection (f), the ten-
5 tative minimum tax for the taxable year is—

6 “(i) 20 percent of so much of the al-
7 ternative minimum taxable income for the
8 taxable year as exceeds the exemption
9 amount, reduced by

10 “(ii) the alternative minimum tax for-
11 eign tax credit for the taxable year.”.

12 (3) Section 55(b)(3) of such Code is amended
13 by striking “paragraph (1)(A)” and inserting “para-
14 graph (1)(A)(i)”.

15 (4) Section 59(a) of such Code is amended—

16 (A) in paragraph (1)(C), by striking “sec-
17 tion 55(b)(1) in lieu of the highest rate of tax
18 specified in section 1” and inserting “subpara-
19 graph (A)(i) or (B)(i) of section 55(b)(1)
20 (whichever applies) in lieu of the highest rate of
21 tax specified in section 1 or 11 (whichever ap-
22 plies)”; and

23 (B) in paragraph (2), by striking “means”
24 and all that follows and inserting the following:
25 “means—

1 “(A) in the case of a taxpayer other than
2 a corporation, the amount determined under the
3 first sentence of section 55(b)(1)(A)(i), or

4 “(B) in the case of a corporation described
5 in section 55(f), the amount determined under
6 section 55(b)(1)(B)(i).”.

7 (5) Section 897(a)(2)(A) of such Code is
8 amended by striking “section 55(b)(1)” and insert-
9 ing “section 55(b)(1)(A)”.

10 (6) Section 911(f) of such Code is amended—

11 (A) by striking “section 55(b)(1)(B)” each
12 place it appears and inserting “section
13 55(b)(1)(A)(ii)”;

14 (B) in paragraph (1)(B), by striking “sec-
15 tion 55(b)(1)(A)” and inserting “section
16 55(b)(1)(A)(i)”.

17 (7) Section 55(c)(1) of such Code is amended
18 by inserting before the first period the following: “,
19 the section 936 credit allowable under section 27(b),
20 and the Puerto Rico economic activity credit under
21 section 30A”.

22 (8) Section 55(d) of such Code is amended—

23 (A) redesignating paragraphs (2) and (3)
24 as paragraphs (3) and (4), respectively, and in-
25 serting after paragraph (1) the following:

1 “(2) CORPORATIONS.—In the case of a corpora-
2 tion, the term ‘exemption amount’ means \$40,000.”;

3 (B) in paragraph (3) (as so redesignated),
4 by striking “and” at the end of subparagraph
5 (B), by striking the period and inserting “,
6 and” at the end of subparagraph (C), and by
7 adding at the end the following:

8 “(D) \$150,000 in the case of a taxpayer
9 described in paragraph (2).”;

10 (C) in paragraph (4) (as so redesign-
11 ated)—

12 (i) in subparagraph (B)(i), by striking
13 “(b)(1)(A)” and inserting “(b)(1)(A)(i)”;
14 and

15 (ii) in subparagraph (B)(iii), by strik-
16 ing “paragraph (2)” and inserting “para-
17 graph (3)”.

18 (9) Section 55 of such Code is amended by re-
19 storing subsection (e) as though it had not been
20 struck by Public Law 115–97.

21 (10) Section 56(b)(2) of such Code is amended
22 by redesignating subparagraph (C) as subparagraph
23 (D) and by inserting after subparagraph (B) the fol-
24 lowing:

1 “(C) SPECIAL RULE FOR PERSONAL HOLD-
2 ING COMPANIES.—In the case of circulation ex-
3 penditures described in section 173, the adjust-
4 ments provided in this paragraph shall apply
5 also to a personal holding company (as defined
6 in section 542).”.

7 (11) Section 56 of such Code is amended by re-
8 storing subsections (e) and (g) as though they had
9 not been struck by Public Law 115–97.

10 (12) Section 848 of such Code is amended by
11 restoring subsection (i) as though it had not been
12 struck by Public Law 115–97.

13 (13) Section 58(a) of such Code is amended by
14 redesignating paragraph (3) as paragraph (4) and
15 by inserting the following after paragraph (2):

16 “(3) APPLICATION TO PERSONAL SERVICE COR-
17 PORATIONS.—For purposes of paragraph (1), a per-
18 sonal service corporation (within the meaning of sec-
19 tion 469(j)(2)) shall be treated as a taxpayer other
20 than a corporation.”.

21 (14) Section 59 of such Code is amended by re-
22 storing subsections (b) and (f) as though they had
23 not been struck by Public Law 115–97.

24 (15) Section 11(d) of such Code is amended by
25 striking “the tax imposed by subsection (a)” and in-

1 serting “the taxes imposed by subsection (a) and
2 section 55”.

3 (16) Section 12 of such Code is amended by re-
4 storing paragraph (7) as though it had not been
5 struck by Public Law 115–97.

6 (17) Section 168(k) of such Code is amended
7 by restoring paragraph (4) as though it had not
8 been struck by Public Law 115–97.

9 (18) Section 882(a)(1) of such Code is amended
10 by inserting “, 55,” after “section 11”.

11 (19) Section 962(a)(1) of such Code is amended
12 by inserting “and 55” after “section 11”.

13 (20) Section 6425(e)(1)(A) of such Code is
14 amended to read as it read before the passage of
15 Public Law 115–97.

16 (21) Section 6655(e)(2) of such Code is amend-
17 ed by inserting “and alternative minimum taxable
18 income” each place it appeared before the passage of
19 Public Law 115–97.

20 (d) EFFECTIVE DATE.—The amendments made by
21 this section shall apply to taxable years beginning after
22 December 31, 2022.

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