

103D CONGRESS  
1ST SESSION

# S. 156

To amend the Internal Revenue Code of 1986 to allow the energy investment credit for solar energy and geothermal property against the entire regular tax and the alternative minimum tax.

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IN THE SENATE OF THE UNITED STATES

JANUARY 21 (legislative day, JANUARY 5), 1993

Mr. DASCHLE 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 allow the energy investment credit for solar energy and geothermal property against the entire regular tax and the alternative minimum tax.

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. CHANGES RELATING TO ENERGY CREDIT.**

4       (a) ENERGY CREDIT ALLOWABLE AGAINST ENTIRE

5       REGULAR TAX AND ALTERNATIVE MINIMUM TAX.—

6           (1) Subsection (c) of section 38 of the Internal

7       Revenue Code of 1986 (relating to limitation based

1 on amount of tax) is amended by adding at the end  
2 thereof the following new paragraph:

3 “(3) SPECIAL RULES FOR ENERGY CREDIT.—

4 “(A) IN GENERAL.—In the case of a C  
5 corporation, this section and section 39 shall be  
6 applied separately—

7 “(i) first with respect to so much of  
8 the credit allowed by subsection (a) as is  
9 not attributable to the energy credit, and

10 “(ii) then with respect to the energy  
11 credit.

12 “(B) RULES FOR APPLICATION OF ENERGY  
13 CREDIT.—

14 “(i) IN GENERAL.—In the case of the  
15 energy credit, in lieu of applying the pre-  
16 ceding paragraphs of this subsection, the  
17 amount of such credit allowed under sub-  
18 section (a) for any taxable year shall not  
19 exceed the net chapter 1 tax for such year.

20 “(ii) NET CHAPTER 1 TAX.—For pur-  
21 poses of clause (i), the term ‘net chapter 1  
22 tax’ means the sum of the regular tax li-  
23 ability for the taxable year and the tax im-  
24 posed by section 55 for the taxable year,  
25 reduced by the sum of the credits allowable

1                   under this part for the taxable year (other  
2                   than under section 34 and other than the  
3                   energy credit).

4                   “(C) ENERGY CREDIT.—For purposes of  
5                   this paragraph, the term ‘energy credit’ means  
6                   the credit allowable under subsection (a) by rea-  
7                   son of section 48(a).”

8                   (2) Paragraph (2) of section 55(c) of such Code  
9                   is amended to read as follows:

10                   “(2) CROSS REFERENCES.—

11                   “(A) For provisions providing that certain  
12                   credits are not allowable against the tax im-  
13                   posed by this section, see sections 26(a),  
14                   28(d)(2), 29(b)(5), and 38(c).

15                   “(B) For provision allowing energy credit  
16                   against the tax imposed by this section, see sec-  
17                   tion 38(c)(3).”

18                   (b) EFFECTIVE DATE.—The amendment made by  
19                   this section shall apply to taxable years beginning after  
20                   December 31, 1992.

