

107TH CONGRESS  
1ST SESSION

# S. 1832

To amend the Internal Revenue Code of 1986 to modify the credit for the production of electricity from renewable resources to include production of energy from agricultural and animal waste.

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## IN THE SENATE OF THE UNITED STATES

DECEMBER 14, 2001

Mrs. LINCOLN (for herself, Mr. HAGEL, and Mr. BOND) 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 modify the credit for the production of electricity from renewable resources to include production of energy from agricultural and animal waste.

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. FINDINGS.**

4       Congress finds the following:

5           (1) There are new and emerging opportunities  
6       for producing renewable energy fuel products, which  
7       will be of benefit to the United States and its citi-  
8       zens.

4 (3) New technologies can be developed and im-  
5 plemented that will utilize animal and agricultural  
6 wastes to produce significant quantities of market-  
7 able alternative fuels.

8 (4) Investment in renewable energy will—

9 (A) enhance the energy security and inde-  
10 pendence of the United States

11 (B) provide significant environmental bene-  
12 fits and reduce wastes

13 (C) improve electrical reliability and secu-  
14 rity, and

15 (D) promote sustainable development op-  
16 portunities.

20 (6) The Federal Government should take all  
21 measures to provide incentives to assure the imple-  
22 mentation of technologies to produce alternative  
23 fuels.

1   **SEC. 2. MODIFICATION OF CREDIT FOR PRODUCTION OF**  
2           **ELECTRICITY FROM RENEWABLE RE-**  
3           **SOURCES.**

4       (a) CREDIT ALLOWED FOR PRODUCERS OF CERTAIN  
5 ENERGY.—Section 45(a)(2) of the Internal Revenue Code  
6 of 1986 (relating to electricity produced from certain re-  
7 newable resources) is amended to read as follows:

8           “(2) the—

9               “(A) kilowatt hours of electricity—

10               “(i) produced by the taxpayer—

11                   “(I) from qualified energy re-  
12                   sources (other than qualified waste),  
13                   and

14                   “(II) at a qualified facility during  
15                   the 10-year period beginning on the  
16                   date the facility was originally placed  
17                   in service, and

18               “(ii) sold by the taxpayer to an unre-  
19                   lated person during the taxable year, or

20               “(B) amount of kilowatt hours of elec-  
21                   tricity equivalent which is equal to the Btu of  
22                   any fuel or feedstock—

23               “(i) produced by the taxpayer—

24                   “(I) from qualified waste or poul-  
25                   try waste, and

1                             “(II) at a qualified facility during  
2                             the 10-year period beginning on the  
3                             date the facility was originally placed  
4                             in service, and  
5                             “(ii) sold by the taxpayer to an unre-  
6                             lated person during the taxable year.”.

7                             (b) QUALIFIED ENERGY RESOURCES.—

8                             (1) IN GENERAL.—Section 45(c)(1) of the In-  
9                             ternal Revenue Code of 1986 (defining qualified en-  
10                             ergy resources) is amended by striking “and” at the  
11                             end of subparagraph (B), by striking the period at  
12                             the end of subparagraph (C) and inserting “, and”,  
13                             and by adding at the end the following:

14                             “(D) qualified waste.”.

15                             (2) QUALIFIED WASTE.—Section 45(c) of such  
16                             Code (relating to definitions) is amended by adding  
17                             at the end the following:

18                             “(5) QUALIFIED WASTE.—The term ‘qualified  
19                             waste’ means agriculture and animal waste (other  
20                             than poultry waste), including by-products, pack-  
21                             aging, and any materials associated with the proc-  
22                             essing, raising, feeding, selling, transporting, or dis-  
23                             posal of agricultural or animal products.”.

1       (c) QUALIFIED FACILITY.—Section 45(c)(3) of the  
2 Internal Revenue Code of 1986 (defining qualified facility)  
3 is amended by adding at the end the following:

4               “(D) QUALIFIED WASTE FACILITY.—In the  
5               case of a facility using qualified waste or poul-  
6               try waste to produce alternative fuel feedstock,  
7               the term ‘qualified facility’ means any facility of  
8               the taxpayer which is originally placed in serv-  
9               ice by the taxpayer after December 31, 2001,  
10               and before January 1, 2007.”.

11       (d) GOVERNMENT-OWNED FACILITIES.—Section  
12 45(d)(6) of the Internal Revenue Code of 1986 (relating  
13 to credit eligibility in the case of government-owned facili-  
14 ties using poultry waste) is amended by inserting “or  
15 using poultry waste or qualified waste to produce alter-  
16 native fuel feedstock” after “electricity”.

17       (e) LIMIT ON CARRYBACK OF CREDIT.—Section  
18 39(d)(3) of the Internal Revenue Code of 1986 (relating  
19 to no carryback of renewable electricity production credit  
20 before effective date) is amended by inserting “and before  
21 January 1, 2002, to the extent such credit is attributable  
22 to energy (other than electricity) produced from qualified  
23 waste or poultry waste” after “energy resource”.

24       (f) CONFORMING AMENDMENTS.—

16 (g) EFFECTIVE DATE.—The amendments made by  
17 this section shall apply to energy produced after the date  
18 of the enactment of this Act.

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