

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.

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

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.

1 (2) Disposal of animal and agricultural wastes
2 can be a major problem and new technologies should
3 be promoted to utilize these wastes.

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.

17 (5) Alternative fuels should be a major part of
18 the strategy to increase domestic production of
19 motor fuels.

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.—

1 (1) Section 38(b)(8) of the Internal Revenue
 2 Code of 1986 is amended by inserting “and other
 3 energy” after “electricity”.

4 (2) The heading for section 45 of such Code is
 5 amended by inserting “**AND OTHER ENERGY PRO-**
 6 **DUCE** **FROM WASTE PRODUCTS**” after “**RE-**
 7 **SOURCES**”.

8 (3) The item relating to section 45 in the table
 9 of sections for subpart D of part IV of subchapter
 10 A of chapter 1 of such Code is amended by inserting
 11 “and other energy produced from waste products”
 12 after “resources”.

13 (4) The heading of section 45(d)(6) of such
 14 Code is amended by inserting “OR QUALIFIED
 15 WASTE” after “POULTRY WASTE”.

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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