

111TH CONGRESS
1ST SESSION

S. 1325

To amend the Internal Revenue Code of 1986 to permanently extend and modify the section 45 credit for refined coal from steel industry fuel, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 23, 2009

Mr. SPECTER 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 permanently extend and modify the section 45 credit for refined coal from steel industry fuel, and for other purposes.

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. PERMANENT EXTENSION AND MODIFICATION
4 OF SECTION 45 CREDIT FOR REFINED COAL
5 FROM STEEL INDUSTRY FUEL

6 (a) CREDIT PERIOD.—

7 (1) IN GENERAL.—Subclause (II) of section
8 45(e)(8)(D)(ii) of the Internal Revenue Code of

1 1986 (relating to modifications) is amended to read
2 as follows:

3 “(II) CREDIT PERIOD.—In lieu
4 of the 10-year period referred to in
5 clauses (i) and (ii)(II) of subparagraph
6 (A), the credit period shall be
7 the period beginning on the date that
8 the facility first produces steel industry
9 fuel that is sold to an unrelated
10 person after the date of the enactment
11 of this subclause.”.

12 (2) CONFORMING AMENDMENT.—Section
13 45(e)(8)(D) of such Code is amended by striking
14 clause (iii) and by redesignating clause (iv) as clause
15 (iii).

16 (b) EXTENSION OF PLACED-IN-SERVICE DATE.—
17 Subparagraph (A) of section 45(d)(8) of the Internal Revenue Code of 1986 (defining refined coal production facility) is amended—

20 (1) by striking “(or any modification to a facility)”, and

22 (2) by striking “2010” and inserting “2011”.

23 (c) CLARIFICATIONS.—

24 (1) STEEL INDUSTRY FUEL.—Subclause (I) of
25 section 45(c)(7)(C)(i) of the Internal Revenue Code

1 of 1986 (defining steel industry fuel) is amended by
2 inserting “or a blend of coal and petroleum coke”
3 after “on coal”.

4 (2) OWNERSHIP INTEREST.—Section 45(d)(8)
5 of such Code (defining refined coal production facil-
6 ity) is amended by adding at the end the following
7 new flush sentence:

8 “With respect to a facility producing steel industry
9 fuel, no person (including a ground lessor, customer,
10 supplier, or technology licensor) shall be treated as
11 having an ownership interest in the facility or as
12 otherwise entitled to the credit allowable under sub-
13 section (a) with respect to such facility if such per-
14 son’s rent, license fee, or other entitlement to net
15 payments from the owner of such facility is meas-
16 ured by a fixed dollar amount or a fixed amount per
17 ton, or otherwise determined without regard to the
18 profit or loss of such facility.”.

19 (3) PRODUCTION AND SALE.—Subparagraph
20 (D) of section 45(e)(8) of such Code (relating to
21 special rule for steel industry fuel), as amended by
22 subsection (a)(2), is amended by redesignating
23 clause (iii) as clause (iv) and by inserting after
24 clause (ii) the following new clause:

1 “(iii) PRODUCTION AND SALE.—The
2 owner of a facility producing steel industry
3 fuel shall be treated as producing and sell-
4 ing steel industry fuel where that owner
5 manufactures such steel industry fuel from
6 coal or a blend of coal and petroleum coke
7 to which it has title. The sale of such steel
8 industry fuel by the owner of the facility to
9 a person who is not the owner of the facil-
10 ity shall not fail to qualify as a sale to an
11 unrelated person solely because such pur-
12 chaser may also be a ground lessor, sup-
13 plier, or customer.”.

14 (d) SPECIFIED CREDIT FOR PURPOSES OF ALTER-
15 NATIVE MINIMUM TAX EXCLUSION.—Subclause (II) of
16 section 38(c)(4)(B)(iii) of the Internal Revenue Code of
17 1986 (relating to specified credits) is amended by insert-
18 ing “(in the case of a refined coal production facility pro-
19 ducing steel industry fuel, during the credit period set
20 forth in section 45(e)(8)(D)(ii)(II))” after “service”.

21 (e) EFFECTIVE DATES.—

22 (1) IN GENERAL.—The amendments made by
23 subsections (a), (b), and (d) shall take effect on the
24 date of the enactment of this Act.

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