

111TH CONGRESS
2D SESSION

S. 3634

To amend the Internal Revenue Code of 1986 to clarify the types of energy conservation subsidies provided by public utilities eligible for income exclusion.

IN THE SENATE OF THE UNITED STATES

JULY 22, 2010

Mr. BINGAMAN (for himself and Mr. UDALL of New Mexico) 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 clarify the types of energy conservation subsidies provided by public utilities eligible for income exclusion.

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. CLARIFICATION OF TYPES OF ENERGY CON-**
4 **SERVATION SUBSIDIES PROVIDED BY PUBLIC**
5 **UTILITIES ELIGIBLE FOR INCOME EXCLU-**
6 **SION.**

7 (a) IN GENERAL.—Section 136 of the Internal Rev-
8 enue Code of 1986 is amended by redesignating subsection
9 (d) as subsection (e) and by inserting after subsection (c)
10 the following new subsection:

1 “(d) NET METERING OR NET BILLING PROGRAMS;
2 RENEWABLE ENERGY CREDITS.—

3 “(1) IN GENERAL.—For purposes of this sec-
4 tion, the term ‘subsidy’ includes amounts received by
5 a customer from a public utility—

6 “(A) to pay for electricity generated from
7 an energy conservation measure under a net
8 metering or net billing program, or

9 “(B) to pay for renewable energy credits
10 attributable to an energy conservation measure.

11 “(2) LIMITATION.—The amount treated as a
12 subsidy for any taxable year by reason of paragraph
13 (1)(B) shall not exceed an amount equal to—

14 “(A) \$2,000, multiplied by

15 “(B) the whole number of years worth of
16 renewable energy credits that are sold by the
17 customer.

18 “(3) NO BASIS REDUCTION.—Subsection (b)
19 shall not apply with respect to property any portion
20 of the basis of which is attributable to an amount
21 described in paragraph (1).”.

22 (b) EFFECTIVE DATE.—The amendments made by
23 this section shall apply to amounts received after the date
24 of the enactment of this Act.

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