

**ESTIMATED REVENUE EFFECTS OF TITLE VIII OF H.R. 6899,
THE "ENERGY TAX INCENTIVES ACT OF 2008,"
AS PASSED BY THE HOUSE OF REPRESENTATIVES ON SEPTEMBER 16, 2008**

Fiscal Years 2009 - 2018

[Millions of Dollars]

Provision	Effective	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2009-13	2009-18
VIII. Energy Tax Incentives													
A. Energy Production Incentives													
1. Extension and modification of the section 45 renewable energy credit - extend by three years (one year for wind facilities) the section 45 placed-in-service period (excluding refined coal, Indian coal, and solar facilities); place cap on annual allowable credit; add marine and hydrokinetic energy as qualified energy resource; allow new biomass units to qualify for credit; clarify definition of trash combustion facilities; change definition of qualified hydropower production (sunset 12/31/09 and 12/31/11).....	[1]	-157	-370	-562	-712	-779	-809	-833	-861	-879	-933	-2,580	-6,893
2. Extension and modification of the section 48 energy credit - add CHP at 10% credit, increase fuel cell credit cap to \$1,500 per half KW, waive public utility rule, and allow against AMT (sunset 12/31/16).....	[2]	-150	-188	-224	-203	-194	-207	-218	-211	-119	-51	-959	-1,765
3. Extend and modify credit for residential energy efficient property - allow credit against AMT, raise solar electric property cap to \$4,000; and add small wind (\$4,000 cap) and geothermal (\$2,000 cap) property (sunset 12/31/16).....	tyba 12/31/07	-51	-98	-101	-104	-108	-112	-116	-120	-98	---	-462	-907

Provision	Effective	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2009-13	2009-18
4. Extension and modification of special rule to implement FERC and State electric restructuring policy (sunset 12/31/09).....	[3]	-519	-39	90	90	90	90	109	72	16	---	-287	---
5. New clean renewable energy bonds (\$1.750 billion of bond allocation) [4].....	bia DOE	-2	-8	-19	-36	-55	-70	-76	-77	-77	-77	-120	-497
6. Expansion and modification of the advanced coal project investment credit.....	DOE	-286	-278	-229	-154	-81	-35	-8	7	10	10	-1,028	-1,044
7. Expansion and modification of coal gasification investment credit.....	DOE	<i>Estimate Included in Line Above</i>											
8. Extend excise tax on coal at current rates (sunset 12/31/18).....	DOE	---	---	---	---	---	203	271	271	271	271	---	1,287
9. Special rules for refund of coal excise taxes paid by certain coal producers and exporters [4].....	DOE	-260	16	14	12	8	5	3	3	---	---	-211	-199
10. Carbon audit of the tax code.....	DOE	<i>No Revenue Effect</i>											
B. Transportation and Domestic Fuel Security Provisions													
1. Inclusion of cellulosic biofuel in bonus depreciation for biomass ethanol plant property..	ppisa DOE in tyea DOE	-1	-2	-1	---	---	1	1	1	---	---	-3	---
2. Extension and modification of credits for biodiesel and renewable diesel:													
a. Extend biodiesel (including 10 cents per gallon small agri-biodiesel producer credit) and make \$1.00 per gallon credit available to all biodiesel (sunset 12/31/09).....	fpsoua 12/31/08	-370	-137	---	---	---	---	---	---	---	---	-507	-507
b. Extend renewable diesel through 12/31/09; eliminate thermal depolymerization requirement; disallow credit to renewable diesel co-produced with petroleum products.....	fpsoua 12/31/08 & 2/13/08	50	-5	---	---	---	---	---	---	---	---	45	45
c. Qualify biomass jet fuel for renewable diesel credit.....	fpsoua 12/31/08	[5]	[5]	---	---	---	---	---	---	---	---	[5]	[5]
3. Clarification that credits for fuel are designed to provide incentive for fuels with sufficient nexus to the United States.....	[6]	42	16	3	---	---	---	---	---	---	---	61	61
4. Credit for plug-in electric drive vehicles; nonbusiness alternative motor vehicle credit treated as personal credit.....	tyba 12/31/08 & tyba 12/31/07	-1	-4	-28	-128	-150	-194	-242	-141	-102	-65	-311	-1,056

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5. Exclusion from heavy vehicles excise tax for idling reduction units and advanced insulation...	soia DOE	-2	-3	-5	-7	-9	-10	-12	-14	-15	-17	-27	-95
6. Restructure New York Liberty Zone incentives (credits begin 2009 with maximum of \$115 million per year through 2018 and \$425 million in 2019 and 2020; New York Liberty Zone incentives sunset date of enactment) [7].....	DOE	-92	-108	-116	-116	-116	-116	-116	-116	-116	-116	-548	-1,129
7. Transportation fringe benefit to bicycle commuters.....	tyba 12/31/08	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-5	-10
8. Extension and modification of alternative fuel vehicle refueling property credit (sunset 12/31/10 and 12/31/17).....	[8]	-19	-64	-52	-25	-20	-16	-8	-7	-8	-7	-180	-226
9. Energy security bonds - allocation of \$1.750 billion dollars of tax credit bonds to be used to make loans for natural gas refueling property at retail motor fuel stations.....	oia 12/31/08	-3	-8	-17	-29	-45	-64	-86	-107	-116	-116	-102	-591
10. Income and gains from storage or transportation of alcohol fuels and mixtures, biodiesel fuels and mixtures, and alternative fuels and mixtures treated as qualifying income for publicly traded partnerships.....	tyba DOE	-2	-4	-5	-6	-7	-8	-9	-10	-12	-13	-24	-76
C. Energy Conservation and Efficiency Provisions													
1. Qualified energy conservation bonds (\$2.625 billion allocation) [4].....	bia DOE	-24	-66	-91	-102	-102	-102	-102	-102	-102	-102	-385	-895
2. Extension and modification of credit for energy efficiency improvements to existing homes (sunset 12/31/08).....	ppisa 12/31/07	-1,067	---	---	---	---	---	---	---	---	---	-1,067	-1,067
3. Extension of energy efficient commercial buildings deduction (sunset 12/31/13).....	DOE	-113	-183	-193	-197	-201	-59	17	15	13	10	-888	-891
4. Extension and modification of energy efficient appliance credit.....	apa 12/31/07	-182	-65	-36	-26	-11	-2	---	---	---	---	-320	-323
5. 10-year applicable recovery period for qualified smart electric distribution property, 150 declining balance method	ppisa DOE	-5	-18	-35	-53	-71	-90	-115	-144	-177	-213	-182	-921
6. Extend qualified green building and sustainable design project bonds (sunset 9/30/12).....	DOE	---	-1	-3	-5	-6	-6	-6	-6	-6	-6	-15	-45

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D. Revenue Provisions													
1. Deny section 199 deduction for major integrated and/or foreign-government controlled oil companies, and freeze at 6% for all others, for income attributable to domestic production of oil, gas, or primary products thereof.....	tyba 12/31/08	380	975	1,201	1,290	1,387	1,490	1,602	1,652	1,851	2,076	5,233	13,904
2. Clarification of determination of foreign oil and gas extraction income:													
a. Require arm's-length price for FOGEL.....	tyba DOE	136	297	301	304	307	310	312	314	315	316	1,345	2,912
b. Treat petroleum taxes as taxes on FOGEL.....	tyba DOE	37	95	97	98	99	99	100	100	101	102	426	928
3. Modify timing for corporate estimated tax payments for large energy-sector corporations [9].....	DOE	---	---	---	---	3,145	-3,145	---	---	---	---	3,145	---
NET TOTAL		-2,662	-251	-12	-110	3,080	-2,848	467	518	749	1,068	44	1

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding. Date of enactment is assumed to be October 1, 2008.

Legend for "Effective" column:

apa = appliances produced after
 bia = bonds issued after
 DOE = date of enactment
 ea = expenditures after

fpsoua = fuels produced, sold, or used after
 frap = Federal regulations are prescribed
 oia = obligations issued after
 pa = payments after

ppisa = property placed in service after
 soia = sales or installation after
 spa = services performed after
 tyba = taxable years beginning after

[1] The proposal is generally effective for property originally placed in service after December 31, 2008. The repeal of the credit phaseout is effective for taxable years ending after December 31, 2008. The production credit for marine renewables is effective for electricity produced and sold after the date of enactment in taxable years ending after the date of enactment.

[2] The provision extending the 30% credit is generally effective on the date of enactment. The CHP credit and the increase in the credit cap for fuel cells apply to periods after the date of enactment, in taxable years ending after such date, under rules similar to the rules of section 48(m) of the Internal Revenue Code (the "Code") (as in effect on the day before the enactment of the Revenue Reconciliation Act of 1990). The provision relating to the restrictions on public utility property applies to periods after February 13, 2008, in taxable years ending after such date, under rules similar to the rules of section 48(m) of the Code (as in effect on the day before the enactment of the Revenue Reconciliation Act of 1990). The allowance of the credit against the alternative minimum tax is effective for taxable years beginning after the date of enactment.

Footnotes for JCX-68-08 continued:

- [3] The extension and change in definition applies to transactions after December 31, 2007. The change in timing of transfer of operational control is effective as if included in the American Jobs Creation Act of 2004. The exception for property located outside the United States applies to transactions after the date of enactment.
- [4] Estimate is preliminary and subject to change.
- [5] Loss of less than \$500,000.
- [6] Effective for claims for credit or payment made on or after May 15, 2008.
- [7] Estimate includes an increase in outlays of \$1,150 million for fiscal years 2009 through 2018.
- [8] Effective for property placed in service after the date of enactment, in taxable years ending after such date.
- [9] Increase by 40 percentage points the required estimated tax payments factor for a large corporation which had any significant income for the preceding year from extraction, production, processing, refining, transportation, distribution, or retail sales, of any fuel or electricity.