

ESTIMATED BUDGET EFFECTS OF THE CONFERENCE AGREEMENT FOR TITLE XIII. OF H.R. 6,
 THE "ENERGY TAX INCENTIVES ACT OF 2005"

Fiscal Years 2005 - 2015

[Millions of Dollars]

Provision	Effective	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2005-10	2005-15
A. Energy Infrastructure Tax Incentives														
1. Extend and modify section 45 credit through 12/31/07 (allow pass through of credit to cooperative patrons) [1]	DOE & tyea DOE	-1	-35	-134	-256	-314	-328	-342	-351	-334	-326	-327	-1,068	-2,747
2. Clean renewable energy bonds (\$800 million aggregate issuance limitation through 12/31/07)	bia 12/31/05	---	-9	-25	-42	-48	-48	-48	-48	-48	-48	-48	-171	-411
3. Treatment of certain income of electric cooperatives	DOE	---	---	-14	-24	-26	-29	-32	-34	-37	-39	-42	-93	-277
4. Dispositions of transmission property to implement FERC restructuring policy (applies to sales or dispositions completed prior to 1/1/08)	DOE	-37	-105	-237	-73	43	43	44	45	82	150	64	-366	19
5. Credit for production from advanced nuclear power facilities	tyba DOE	---	---	---	---	---	---	---	---	-41	-83	-155	---	-278
6. Credit for investment in clean coal facilities	pa DOE [2]	---	-26	-55	-101	-151	-212	-254	-260	-238	-178	-136	-546	-1,612
7. Electricity transmission property rated 69kV or greater treated as 15-year property [3]	ppisa 4/11/05	---	-3	-18	-45	-78	-110	-140	-166	-194	-225	-261	-254	-1,239
8. 84-month amortization of qualified air pollution control facilities installed in post-1975 coal-fired electric generation plants	ppisa 4/11/05	-2	-10	-30	-58	-89	-123	-154	-177	-187	-173	-144	-313	-1,147
9. Modification to special rules for nuclear decommissioning costs - eliminate cost of service requirement, permit transfer for pre-1984 decommissioning costs to qualified fund (seller gets deduction on sale of plant), and permit full funding in qualified fund	tyba 12/31/05	---	-120	-199	-187	-168	-126	-116	-107	-97	-90	-83	-800	-1,293
10. Temporary 5-year net operating loss carryover for certain electric companies limited to 20% of combined qualifying investment in transmission and pollution control equipment	[4]	---	-72	-43	-19	19	16	12	10	8	8	8	-99	-52
Total of Energy Infrastructure Tax Incentives		-40	-380	-755	-805	-812	-917	-1,030	-1,088	-1,086	-1,004	-1,124	-3,710	-9,037
B. Domestic Fossil Fuel Security														
1. Extension of credit for producing fuel from a nonconventional source for facilities producing coke or coke gas (sunset for facilities placed in service after 12/31/09)	pa 12/31/05	---	-5	-12	-17	-23	-19	-13	-8	-2	---	---	-76	-101
2. Allow section 29 credit to be component of general business credit (produced and sold through 12/31/07)	[5]	---	---	-275	-301	24	46	66	88	88	88	88	-506	-88

Provision	Effective	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2005-10	2005-15
3. Temporary 50% expensing for equipment used in the refining of liquid fuels (and allow pass through to cooperative owners) (sunset 12/31/11) [6]	ppisa DOE	---	-12	-31	-119	-238	-259	-183	49	156	126	105	-659	-406
4. Pass through low sulfur diesel expensing to cooperative owners	[7]	-42	-3	5	4	4	4	4	4	4	4	4	-28	-7
5. Natural gas distribution pipelines treated as 15-year property (sunset after 12/31/10) [3]	ppisa 4/11/05	-1	-13	-43	-78	-110	-139	-152	-137	-120	-114	-112	-384	-1,019
6. Natural gas gathering pipelines treated as 7-year property with AMT relief [3]	ppisa 4/11/05	---	-1	-3	-2	-2	-2	-1	-1	-1	-1	-1	-10	-16
7. Exempt certain prepayments for natural gas from tax-exempt bond arbitrage rules	bia DOE	[8]	-1	-2	-3	-4	-4	-5	-7	-8	-9	-10	-14	-53
8. Determination of small refiner exception to oil depletion deduction - modify definition of independent refiner from daily maximum run less than 50,000 barrels to average daily run less than 75,000 barrels	tyea DOE	-2	-14	-14	-15	-15	-15	-16	-16	-16	-17	-18	-75	-158
9. Amortize all geological and geophysical expenditures over 2 years	apoi tyba DOE	127	165	-59	-201	-218	-151	-122	-131	-125	-125	-134	-337	-974
Total of Domestic Fossil Fuel Security		82	116	-434	-732	-582	-539	-422	-159	-24	-48	-78	-2,089	-2,822
C. Conservation and Energy Efficiency Provisions														
1. Allowance of deduction for certain energy efficient commercial building property (sunset 12/31/07)	ppisa 12/31/05	---	-81	-141	-48	6	5	5	4	4	3	3	-260	-243
2. Credit for construction of new energy efficient homes (sunset 12/31/07)	hpa 12/31/05	---	-6	-9	-5	-3	-3	-2	-2	-1	[9]	---	-24	-28
3. Credit for energy efficiency improvements to existing homes (sunset 12/31/07)	ppisa 12/31/05	---	-55	-275	-226	---	---	---	---	---	---	---	-556	-556
4. Credit for energy efficient appliances (sunset 12/31/07) [10]	apa 12/31/05	---	-117	-63	---	---	---	---	---	---	---	---	-180	-180
5. 30% credit for residential purchases/installations of solar (pv and hot water) and fuel cells (sunset 12/31/07)	ppisa 12/31/05	---	-2	-13	-16	---	---	---	---	---	---	---	-31	-31
6. Credit for business installation of qualified fuel cells and stationary microturbine power plants (sunset 12/31/07)	[11]	---	-19	-82	-110	-30	-18	-7	6	10	15	12	-259	-222
7. Business solar investment tax credit (generally sunset 12/31/07)	[12]	---	-4	-7	-5	-3	-2	-2	-1	---	---	---	-21	-24
Total of Conservation and Energy Efficiency Provisions		---	-284	-590	-410	-30	-18	-6	7	13	18	15	-1,331	-1,284
D. Alternative Motor Vehicles and Fuels Incentives														
1. Alternative motor vehicle credit	ppisa 12/31/05	---	-283	-254	-142	-110	-19	-12	-11	-15	-19	-10	-807	-874
2. Credit for installation of alternative fueling stations for property placed in service before 1/1/10 (1/1/15 for hydrogen property)	ppisa 12/31/05	---	-3	-9	-13	-19	-14	-6	-5	-2	[13]	2	-59	-71
3. Reduced motor fuel excise tax rate for diesel fuel blended with water [14]	1/1/06	---	[9]	[9]	[9]	[9]	[9]	[9]	[9]	[9]	[9]	[9]	[9]	[9]
4. Extend excise tax provisions and income tax credit for biodiesel and create similar incentives for renewable diesel (sunset 12/31/08)	DOE & 1/1/06	---	---	-67	-101	-26	---	---	---	---	---	---	-194	-194

Provision	Effective	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2005-10	2005-15
5. Establish small agri-biodiesel producer credit (sunset 12/31/08) and expand eligibility for small ethanol producer credit	tyea DOE	-1	-22	-24	-28	-26	-26	-23	-14	-11	-5	---	-128	-181
6. Sunset of deduction for clean-fuel vehicles and certain refueling property 12/31/05	1/1/06	---	8	2	-3	-2	-2	-1	---	---	---	---	3	2
Total of Alternative Motor Vehicles and Fuels Incentives		-1	-300	-352	-287	-183	-61	-42	-30	-28	-24	-8	-1,185	-1,318
E. Additional Energy Tax Incentives														
1. R&E tax credit for energy research (sunset 12/31/05)	epoia DOE	-3	-10	-35	-21	-11	-8	-4	-1	---	---	---	-91	-92
2. National Academy of Sciences study and report	DOE	----- No Revenue Effect -----												
3. Recycling study	DOE	----- No Revenue Effect -----												
Total of Additional Energy Tax Incentives		-3	-10	-35	-21	-11	-8	-4	-1	---	---	---	-91	-92
F. Revenue Raising Provisions														
1. Oil Spill Liability Trust Fund financing rate (sunset 12/31/14)	[15]	---	150	254	276	282	285	290	293	298	303	76	1,248	2,508
2. Extend Leaking Underground Storage Tank Trust Fund financing rate (sunset 9/30/11), expand to apply financing rate to all fuels, and repeal LUST refunds	freosa 9/30/05	---	33	34	34	35	35	35	35	35	36	36	171	349
3. Modify recapture of section 197 amortization	dopa DOE	2	12	13	14	15	16	17	19	20	21	23	72	171
4. Clarify definition of super single tire	[16]	----- Negligible Revenue Effect -----												
Total of Revenue Raising Provisions		2	195	301	324	332	336	342	347	353	360	135	1,491	3,028
NET TOTAL		40	-663	-1,865	-1,931	-1,286	-1,207	-1,162	-924	-772	-698	-1,060	-6,915	-11,525

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding. Date of enactment is assumed to be August 1, 2005.

Legend for "Effective" column:

apa = appliances produced after
 apoii = amounts paid or incurred in
 bia = bonds issued after
 DOE = date of enactment

dopa = dispositions of property after
 epoia = expenses paid or incurred after
 freosa = fuel removed, entered or sold after
 hpa = homes purchased after

pa = periods after
 ppisa = property placed in service after
 tyba = taxable years beginning after
 tyea = taxable years ending after

- [1] Estimates include interaction effect with the clean renewable energy bond provision (item A.2.).
- [2] Subject to rules similar to those of section 48(m) (as in effect before its repeal).
- [3] Excluding assets subject to binding contracts entered into on or before April 11, 2005, and restricted to original-use property.
- [4] Effective for net operating losses generated in tax years ending in 2003, 2004, and 2005.
- [5] Effective for credits earned after December 31, 2005. No carryback of unused credit for taxes paid prior to January 1, 2006.
- [6] Excluding assets subject to binding contracts entered into on or before June 14, 2005, and restricted to original-use property.
- [7] Effective as if included in the American Jobs Creation Act of 2004.
- [8] Loss of less than \$1 million.
- [9] Loss of less than \$500,000.

[Footnotes for JCX-59-05 are continued on the following page]

Footnotes for JCX-59-05 continued:

- [10] Estimate is based upon proposed Energy Star standards for 2007.
- [11] Effective for periods after December 31, 2005, and before January 1, 2008, for property placed in service in taxable years ending after December 31, 2005.
- [12] Effective for periods after December 31, 2005 (and before January 1, 2008 in the case of the 30 percent credit and fiber optic distributed sunlight), for property placed in service in taxable years ending after December 31, 2005.
- [13] Gain of less than \$500,000.
- [14] Estimate assumes an emulsion percentage of at least 14 percent water.
- [15] The tax applies on April 1, 2006, or if later, the date which is 30 days after the last day of any calendar quarter for which the Secretary estimates that, as of the close of that quarter, the unobligated balance in the Oil Spill Liability Trust fund is less than \$2 billion.
- [16] Effective as if included in section 869 of the American Jobs Creation Act of 2004.