

ESTIMATED REVENUE EFFECTS OF THE TAX PROVISIONS CONTAINED IN H.R. 2776,
 THE "RENEWABLE ENERGY AND ENERGY CONSERVATION TAX ACT OF 2007,"
 SCHEDULED FOR MARKUP BY THE COMMITTEE ON WAYS AND MEANS ON JUNE 20, 2007

Fiscal Years 2007 - 2017

[Millions of Dollars]

Provision	Effective	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2007-12	2007-17
I. Production Incentives														
1. Extension and modification of renewable energy credit - extend by four years 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.....	[1]	---	---	-49	-197	-419	-690	-917	-1,024	-1,056	-1,093	-1,134	-1,356	-6,580
2. Extension and modification of energy credit - extend 30% solar and fuel cell credits; increase cap on fuel cells to \$1,500 per half kilowatt; remove the public utility restriction for the energy credit; and allow energy credit to be taken against the AMT (sunset 12/31/16).....	[2]	-5	-12	-45	-89	-78	-60	-59	-60	-60	-63	-35	-286	-563
3. Modifications to clean renewable energy bonds (\$2 billion of bond allocation) [3].....	bia DOE	[4]	-2	-10	-23	-41	-63	-79	-83	-83	-83	-83	-139	-550
4. Extension and modification of special rule to implement FERC and State electric restructuring policy (sunset 12/31/09).....	[5]	---	-229	-290	-39	90	90	90	90	109	72	16	-377	---
5. Repeal of dollar limitation and allowance against alternative minimum tax for residential solar and fuel cell property credit.....	ea DOE & tyba DOE	---	-51	-39	---	---	---	---	---	---	---	---	-89	-89
Total of Production Proposals		-5	-294	-433	-348	-448	-723	-965	-1,077	-1,090	-1,167	-1,236	-2,247	-7,782
II. Conservation Provisions														
A. Transportation														
1. Credit for plug-in hybrid vehicles; nonbusiness alternative motor vehicle credit treated as personal credit... tyba 12/31/07 & tyba 12/31/06		---	---	---	---	-31	-158	-187	-241	-301	-175	-127	-189	-1,220
2. Extension and modification of alternative fuel vehicle refueling property credit (sunset 12/31/10).....	[6]	-3	-15	-21	-62	-49	-21	-13	-6	1	3	4	-172	-184
3. Extension and modification of credits for biodiesel and renewable diesel (sunset 12/31/10).....	[7]	---	---	-94	-144	-41	---	---	---	---	---	---	-279	-279
4. Credit for cellulosic alcohol (sunset 12/31/10).....	APA 12/31/07	---	---	-1	-17	-6	---	---	---	---	---	---	-24	-24
5. Extend transportation fringe benefit to bicycle commuters... tyba 12/31/07		---	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-4	-10
6. Modification of limitation on automobile depreciation..... ppisa 12/31/07		---	23	105	163	229	98	31	32	34	35	35	618	786
7. Restructure New York Liberty Zone incentives - (credits begin 2008; New York Liberty Zone incentives sunset date of enactment).....	DOE	---	-146	66	-321	-203	-172	-172	-172	-172	-172	-172	-775	-1,636
B. Other Conservation Provisions														
1. Qualified energy conservation bonds (\$3.6 billion allocation).....	bia DOE	[4]	-7	-40	-97	-153	-184	-195	-196	-196	-196	-196	-481	-1,460
2. Qualified residential energy efficiency assistance bonds (\$2.4 billion allocation).....	bia DOE	[4]	-4	-18	-49	-88	-114	-126	-126	-126	-126	-126	-273	-903
3. Extension of energy efficient commercial buildings deduction (sunset 12/31/13).....	DOE	---	---	-114	-183	-193	-197	-202	-59	17	15	13	-687	-901

Provision	Effective	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2007-12	2007-17
4. Extension and modification of energy efficient appliance credit for appliances produced after 2007.....	apa 12/31/07	---	-109	-108	-83	-40	-10	-3	---	---	---	---	-348	-351
5. 5-year applicable recovery period for depreciation of qualified energy management devices.....	ppisa DOE	---	-13	-38	-73	-109	-138	-160	-178	-191	-202	-213	-371	-1,315
Total of Conservation Provisions		-3	-272	-264	-867	-685	-897	-1,028	-947	-935	-819	-783	-2,985	-7,497
III. Revenue Raising Proposals														
A. Denial of Oil and Gas Tax Benefits														
1. Deny section 199 deduction for income attributable to oil, natural gas, or primary products thereof.....	tyba 12/31/07	---	318	734	897	1,079	1,160	1,247	1,340	1,440	1,548	1,664	4,188	11,427
2. 7-year amortization of geological and geophysical expenditures for major integrated oil companies.....	apoia DOE	1	4	9	15	21	24	18	8	2	1	1	75	103
3. Clarification of determination of foreign oil and gas extraction income:														
a. Require arm's-length price for FOGEL.....	tyba DOE	3	135	272	276	280	283	286	288	290	292	293	1,249	2,698
b. Treat petroleum taxes as taxes on FOGEL.....	tyba DOE	1	43	87	88	90	91	92	92	93	93	94	400	864
B. Clarification of Eligibility for Certain Fuel Credits														
1. Disallow credit to renewable diesel co-produced with petroleum products.....	fpsoua 6/30/07 [8]	---	59	25	---	---	---	---	---	---	---	---	85	85
2. Clarification that Credits for Fuels Are Designed to Provide an Incentive for United States Production:														
a. Deny certain fuel credits for fuel with insufficient nexus to the United States.....	fpsoua DOE	3	29	32	34	10	---	---	---	---	---	---	109	109
b. Deny certain fuel credits for fuels produced and used outside the United States.....	---	----- No Revenue Effect -----												
Total of Revenue Raising Proposals		8	588	1,159	1,310	1,480	1,558	1,643	1,728	1,825	1,934	2,052	6,106	15,286
IV. Other Provisions														
1. Carbon audit.....	DOE	----- No Revenue Effect -----												
2. Comprehensive study of biofuels production.....	DOE	----- No Revenue Effect -----												
Total of Other Provisions		----- No Revenue Effect -----												
NET TOTAL		[4]	22	462	95	347	-62	-350	-296	-200	-52	33	874	7

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding. Date of enactment is assumed to be July 1, 2007.

Legend for "Effective" column:

APA = alcohol produced after
 apa = appliances produced after
 apoia = amounts paid or incurred after

bia = bonds issued after
 DOE = date of enactment
 ea = expenditures after

fpsoua = fuel produced, and sold or used, after
 ppisa = property placed in service 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 proposal is generally effective on the date of enactment. The increase in the fuel cell cap and the removal of the public utility restriction 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 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.
- [3] Credit rate set at 70 percent of the credit rate that would allow bonds to be issued without discount or premium.
- [4] Loss of less than \$500,000.
- [5] The extension applies to qualified sales or other dispositions after December 31, 2007. The change in the definition of an independent transmission company 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.
- [6] Effective for property placed in service after the date of enactment in taxable years ending after the date of enactment.
- [7] The extension applies to fuel produced, and sold or used, after the date of enactment. The modifications apply to fuel produced, and sold or used, after the date that is 30 days after the date of enactment.
- [8] The modification of the alternative fuel excise tax credit (changing "liquid hydrocarbons" to "liquid fuel") is effective as if included in section 11113 of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users.