

**ESTIMATED REVENUE EFFECTS OF THE "ENERGY TAX INCENTIVES ACT OF 2002,"  
AS ORDERED REPORTED BY THE COMMITTEE ON FINANCE ON FEBRUARY 13, 2002**

Fiscal Years 2002 - 2012

[Millions of Dollars]

Provision	Effective	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2002-07	2002-12
<b>Renewable Energy - Extend and Modify the Section 45 Credit for Producing Electricity From Certain Sources</b>														
.....	esfqfa DOE	-30	-133	-243	-336	-364	-375	-379	-372	-370	-364	-306	-1,481	-3,272
<b>Alternative Vehicles and Fuel Incentives</b>														
1. GAO study .....	DOE	----- No Revenue Effect -----												
2. Modified CLEAR Act:														
a. Credits for purchase of alternative motor vehicles and modifications to credit for electric vehicles .....	10/1/02	---	-61	-205	-319	-350	-219	22	15	10	4	1	-1,156	-1,104
b. Credit for retail sale of alternative fuels (30 cents/gallon in 2002 and 2003, 40 cents in 2004, and 50 cents in 2005 through 2006) .....	10/1/02	---	-52	-100	-169	-215	-90	-1	-1	-1	-1	[1]	-627	-632
c. Extension of deduction for certain vehicles and refueling property .....	10/1/02	---	-50	-122	-133	-62	50	73	48	29	12	3	-316	-150
d. Credit for installation of alternative fueling stations .....	10/1/02	---	-2	-2	-2	-2	[1]	[2]	[2]	[2]	[2]	---	-9	-8
3. Modifications to small producer ethanol credit .....	tyba DOE	---	-16	-34	-34	-34	-34	-18	[1]	[1]	[1]	---	-152	-171
4. Transfer full amount of excise tax imposed on gasohol to the Highway Trust Fund .....	10/1/03	----- No Revenue Effect -----												
5. Modify income tax and fuels excise tax treatment of ETBE .....	DOE	----- Negligible Revenue Effect -----												
6. Biodiesel income tax credit and excise tax rate reduction (sunset 12/31/05) [3] .....	1/1/03	---	-12	-22	-30	-10	---	---	---	---	---	---	-74	-74
<b>Total of Alternative Vehicles and Fuel Incentives</b> .....		---	<b>-193</b>	<b>-485</b>	<b>-687</b>	<b>-673</b>	<b>-293</b>	<b>76</b>	<b>62</b>	<b>38</b>	<b>15</b>	<b>4</b>	<b>-2,334</b>	<b>-2,139</b>
<b>Conservation and Energy Efficiency Provisions</b>														
1. Business credit for construction of new energy efficient homes .....	DOE & ppisb 1/1/08	-8	-16	-16	-11	-8	-7	-4	-1	[1]	---	---	-66	-72
2. Credit for energy efficiency improvements to existing homes .....	tyeo/a DOE	---	-89	-117	-128	-111	-38	-10	---	---	---	---	-483	-494
3. Tax credit for energy efficient appliances .....	ppb 1/1/07	---	-19	-31	-33	-65	-50	-28	-13	-2	---	---	-198	-241
4. Tax credit for residential fuel cell, solar, and wind energy property .....	tyea 12/31/02 & ppb 1/1/08	---	-4	-18	-22	-29	-32	-30	---	---	---	---	-105	-135
5. Credit for energy efficient air conditioners, water heaters, heat pumps, and geothermal heat pumps .....	tyea 12/31/02	---	-21	-97	-55	-47	-38	-33	-34	-35	-36	-36	-259	-433
6. Business tax incentives for qualifying fuel cells (through 12/31/06):														
a. Stationary .....	ppisa 12/31/02	---	-3	-8	-14	-16	-10	-6	-3	-2	[1]	---	-51	-62
b. Portable .....	ppisa 12/31/02	----- Negligible Revenue Effect -----												

Provision	Effective	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2002-07	2002-12
7. Allowance of deduction for certain energy efficient commercial building property .....	pcpt 1/1/08 & 10/1/02 & ccb 1/1/10	---	-60	-61	-63	-64	-65	-65	-23	---	---	---	-313	-401
8. Allowance of deduction for new and retrofitted energy management devices; three-year applicable recovery period for depreciation of qualified new energy management devices .....	ppisa DOE	-11	-17	-20	-23	-24	-22	-20	-18	-17	-16	-16	-117	-205
9. Energy credit for combined heat and power system property .....	episa 12/31/02 & episb 1/1/07	---	-34	-65	-72	-76	-51	-26	-15	-7	-1	---	-298	-347
<b>Total of Conservation and Energy Efficiency Provisions .....</b>		<b>-19</b>	<b>-263</b>	<b>-433</b>	<b>-421</b>	<b>-440</b>	<b>-313</b>	<b>-222</b>	<b>-107</b>	<b>-63</b>	<b>-53</b>	<b>-52</b>	<b>-1,890</b>	<b>-2,390</b>
<b>Clean Coal Incentives - Investment and Production Credits for Clean Coal Technology</b>														
1. Credit for production from a qualifying clean coal technology unit .....	pa DOE	---	-2	-33	-61	-73	-84	-91	-94	-97	-99	-101	-253	-733
2. Credit for investment in qualifying advanced clean coal technology .....	ppisa DOE	---	-1	-22	-54	-56	-47	-31	-77	-62	-26	-17	-180	-394
3. Credit for production of electricity from qualifying advanced clean coal technology units .....	pa DOE	---	[1]	-5	-19	-42	-63	-80	-104	-136	-158	-171	-129	-780
<b>Total of Clean Coal Incentives - Investment and Production Credit for Clean Coal Technology .....</b>		<b>---</b>	<b>-3</b>	<b>-60</b>	<b>-134</b>	<b>-171</b>	<b>-194</b>	<b>-202</b>	<b>-275</b>	<b>-295</b>	<b>-283</b>	<b>-289</b>	<b>-562</b>	<b>-1,907</b>
<b>Oil and Gas Provisions</b>														
1. Tax credit for marginal domestic oil and natural gas well production .....	DOE	----- <i>No Revenue Effect</i> -----												
2. Natural gas gathering pipelines treated as 7-year property .....	ppisa DOE	-1	-4	-5	-6	-7	-8	-9	-11	-11	-12	-13	-31	-87
3. Repeal of requirement that certain terminals offer both dyed and undyed diesel fuel and kerosene as a condition of registration .....	1/1/02	----- <i>Negligible Revenue Effect</i> -----												
4. Expensing of capital costs incurred and credit for production in complying with Environmental Protection Agency sulfur regulations for small refiners .....	epoia DOE	---	---	---	---	-5	-10	-17	-27	-7	5	4	-14	-57
5. 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 60,000 barrels .....	tyba 12/31/02	---	-4	-7	-7	-7	-7	-7	-8	-8	-8	-8	-32	-71
6. Extension of suspension of 100% of taxable income limit with respect to marginal production (through 12/31/06) .....	tyba 12/31/01	-21	-35	-38	-40	-42	-15	---	---	---	---	---	-191	-191
7. Election to amortize geological and geophysical expenditures over 2 years (no transition rule) .....	cpoii tyba 12/31/02	---	291	205	-73	-154	-146	-146	-155	-161	-165	-170	122	-675
8. Election to amortize delay rental payments over 2 years (no transition rule) .....	apooi tyba 12/31/02	---	107	44	-82	-116	-116	-55	-86	-121	-123	-124	-162	-672
9. Study of coal bed methane .....	DOE	----- <i>No Revenue Effect</i> -----												
10. \$3 credit for refined coal .....	fsa DOE	---	[1]	-1	-4	-8	-9	-8	-8	-5	-1	---	-22	-44
11. Natural gas distribution lines treated as 15-year property .....	ppisa DOE	-8	-30	-59	-87	-111	-133	-152	-173	-199	-226	-254	-427	-1,431

Provision	Effective	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2002-07	2002-12
12. Extend section 29 credit for facilities placed in service after the date of enactment including viscous oil and coal mine methane (\$3 credit) [4] .....	DOE	-32	-177	-380	-445	-297	-77	---	---	---	---	---	-1,409	-1,409
<b>Total of Oil and Gas Provisions .....</b>		<b>-62</b>	<b>148</b>	<b>-241</b>	<b>-744</b>	<b>-747</b>	<b>-521</b>	<b>-394</b>	<b>-468</b>	<b>-512</b>	<b>-530</b>	<b>-565</b>	<b>-2,166</b>	<b>-4,637</b>
<b>Provisions Relating to Electric Industry Restructuring</b>														
1. Ongoing study and reports with regard to tax issues resulting from future restructuring decisions .....	DOE	----- <i>No Revenue Effect</i> -----												
2. Modification to Special Rules for Nuclear Decommissioning Costs - eliminate cost of service requirement and clarify treatment of fund transfers .....	tyba 2002	---	-18	-46	-56	-75	-99	-131	-143	-152	-161	-171	-294	-1,052
3. Treatment of certain income of electric cooperatives .....	tyba DOE	-6	-13	-16	-19	-21	-23	-25	-27	-29	-32	-35	-97	-245
<b>Total of Provisions Relating to Electric Industry Restructuring .....</b>		<b>-6</b>	<b>-31</b>	<b>-62</b>	<b>-75</b>	<b>-96</b>	<b>-122</b>	<b>-156</b>	<b>-170</b>	<b>-181</b>	<b>-193</b>	<b>-206</b>	<b>-391</b>	<b>-1,297</b>
<b>Extension of Tax Incentives for Indian Reservations - Extension of Accelerated Depreciation and Wage Credit Benefits for Businesses on Indian Reservations (through 12/31/05) .....</b>														
	DOE	---	8	-153	-468	-427	-100	97	200	225	157	62	-1,140	-399
<b>NET TOTAL .....</b>		<b>-117</b>	<b>-467</b>	<b>-1,677</b>	<b>-2,865</b>	<b>-2,918</b>	<b>-1,918</b>	<b>-1,180</b>	<b>-1,130</b>	<b>-1,158</b>	<b>-1,251</b>	<b>-1,352</b>	<b>-9,964</b>	<b>-16,041</b>

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding.

Legend for "Effective" column:

apoi = amounts paid or incurred in  
ccb = construction completed before  
cpoi = costs paid or incurred in  
DOE = date of enactment  
epoia = expenses paid or incurred after  
episa = equipments placed in service after

episb = equipment placed in service before  
esfqfa = electricity sold from qualifying facilities after  
fsa = fuels sold after  
pa = production after  
pcpt = plans certified prior to  
ppb = property purchased before

ppisa = property placed in service after  
ppisb = property placed in service before  
tyba = taxable years beginning after  
tyea = taxable years ending after  
tyeo/a = taxable years ending on or after

[1] Loss of less than \$500,000.

[2] Gain of less than \$500,000.

[3] This provision may also have indirect effects on Federal outlays for certain farm programs. Outlay effects will be estimated by the Congressional Budget Office.

[4] Effective for facilities placed in service from the date of enactment through December 31, 2004. Qualified facilities would be given 3 years of credit.