

ESTIMATED REVENUE EFFECTS OF S. 1149,  
 THE "ENERGY TAX INCENTIVES ACT OF 2003,"  
 AS REPORTED BY THE COMMITTEE ON FINANCE

Fiscal Years 2003 - 2013

[Millions of Dollars]

Provision	Effective	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2003-08	2003-13
<b>Extension and Modification of Renewable Electricity Production Tax Credit - Extend (property placed in service before 1/1/07 (1/1/05 in the case of open-loop)) and modify the section 45 credit for producing electricity from certain sources (credit is equal to 1.8 cents per kilowatt hour for production from post-enactment facilities after 12/31/03).....</b>														
	esqfa DOE	-21	-119	-205	-298	-383	-383	-353	-325	-302	-287	-277	-1,409	-2,953
<b>Alternative Motor Vehicles and Fuel Incentives</b>														
1. Credits for purchase of alternative motor vehicles, modifications to credit for electric vehicles, and extension of deduction for qualified clean fuel vehicles and property (deduction for property placed in service before 1/1/08 (1/1/12 in the case of hydrogen fuel); credit for alternative and electric vehicles purchased before 1/1/07 (1/1/12 in the case of hydrogen)) .....														
	ppisa DOE	-33	-193	-451	-645	-553	-26	25	4	-17	-18	-19	-1,901	-1,926
2. Credit for installation of alternative fueling stations credit for property placed in service before 1/1/08 (1/1/12 in the case of hydrogen) .....														
	ppisa DOE	-1	-2	-3	-3	-3	-1	[1]	[1]	[1]	[1]	[1]	-12	-11
3. Credit for retail sale of alternative fuels (30 cents/gallon in 2003, 40 cents in 2004, 50 cents in 2005 and 2006) .....														
	DOE	-4	-103	-169	-215	-90	-1	-1	-1	-1	---	---	-582	-587
4. Modifications to small ethanol producer credit .....														
	tyba DOE	[2]	-16	-34	-34	-34	-18	[2]	[2]	[2]	[2]	---	-136	-137
5. Increased flexibility in alcohol fuels tax credit .....														
	DOE	----- Negligible Revenue Effect -----												
6. Tax incentives for biodiesel (sunset 12/31/05) [3] .....														
	fsa DOE	-4	-21	-29	-8	---	---	---	---	---	---	---	-62	-62
7. Alcohol fuel and biodiesel mixtures excise tax credit .....														
	fsa 9/30/03	---	31	46	49	48	45	43	40	36	33	30	221	402
8. Sale of gasoline and diesel fuel at duty-free sales enterprises .....														
	DOE	----- No Revenue Effect -----												
<b>Total of Alternative Motor Vehicles and Fuel Incentives .....</b>		<b>-42</b>	<b>-304</b>	<b>-640</b>	<b>-856</b>	<b>-632</b>	<b>-1</b>	<b>67</b>	<b>43</b>	<b>18</b>	<b>15</b>	<b>11</b>	<b>-2,472</b>	<b>-2,321</b>
<b>Conservation and Energy Efficiency Provisions</b>														
1. Business credit for construction of new energy efficient homes .....														
	ppb DOE & 12/31/07	-18	-78	-112	-101	-108	-68	-21	-4	---	---	---	-485	-510
2. Credit for energy efficient appliances .....														
	apb DOE & 12/31/07	-6	-52	-82	-68	-46	-23	-8	-2	[2]	---	---	-277	-288

Provision	Effective	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2003-08	2003-13
3. Credit for residential fuel cell, solar, and other energy efficient property .....	ppb 1/1/04 & 12/31/07	---	-140	-89	-86	-75	-57	---	---	---	---	---	-448	-448
4. Business tax incentives for qualifying fuel cells and microturbines (sunset 12/31/06) .....	ppisb DOE & 12/31/07	[2]	-5	-9	-14	-9	-4	-3	-1	[4]	[4]	[4]	-43	-46
5. Allowance of deduction for certain energy efficient commercial building property .....	1/1/04 for ccb 1/1/10	---	-22	-51	-74	-101	-130	-139	-41	10	9	8	-379	-532
6. Three-year applicable recovery period for qualified energy management devices (excluding ancillary equipment):														
a. Electric devices (sunset for property placed in service after 12/31/07) .....	ppisa DOE	-3	-12	-24	-43	-70	-59	-12	17	27	22	14	-212	-144
b. Water submetering devices (sunset for property placed in service after 12/31/07) .....	ppisa DOE	-1	-5	-13	-22	-31	-23	[4]	12	15	11	5	-95	-52
7. Energy credit for combined heat and power system property .....	ppisa DOE & ppisb 1/1/07	-23	-80	-56	-22	-5	4	7	10	10	9	9	-181	-134
8. Credit for energy efficiency improvements to existing homes .....	tyba DOE & tybb 1/1/07	---	-55	-78	-78	-63	---	---	---	---	---	---	-274	-274
<b>Total of Conservation and Energy Efficiency Provisions .....</b>		<b>-51</b>	<b>-449</b>	<b>-514</b>	<b>-508</b>	<b>-508</b>	<b>-360</b>	<b>-176</b>	<b>-9</b>	<b>62</b>	<b>51</b>	<b>36</b>	<b>-2,394</b>	<b>-2,428</b>
<b>Clean Coal Incentives - Investment and Production</b>														
<b>Credits for Clean Coal Technology</b>														
1. Credit for production from qualifying clean coal technology units .....	pa DOE	-1	-32	-58	-70	-80	-87	-90	-92	-94	-97	-97	-328	-799
2. Credit for investment in qualifying advanced clean coal technology (for property placed in service after the date of enactment and before 1/1/17 (1/1/13 in the case of advanced pulverized coal or atmospheric fluidized bed)) .....	ppisa DOE	---	-20	-47	-49	-41	-27	-111	-94	-39	-28	-18	-184	-475
3. Credit for production of electricity from qualifying advanced clean coal technology units .....	pa DOE	---	-4	-17	-36	-55	-70	-96	-132	-153	-162	-168	-183	-895
<b>Total of Clean Coal Incentives - Investment and Production</b>														
<b>Credit for Clean Coal Technology .....</b>		<b>-1</b>	<b>-56</b>	<b>-122</b>	<b>-155</b>	<b>-176</b>	<b>-184</b>	<b>-297</b>	<b>-318</b>	<b>-286</b>	<b>-287</b>	<b>-283</b>	<b>-695</b>	<b>-2,169</b>
<b>Oil and Gas Provisions</b>														
1. 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	-2	-7	-12	-15	-17	-45	-52	-60	-68	-76	-86	-98	-442
3. Expensing of capital costs incurred and credit for production in complying with Environmental Protection Agency sulfur regulations for small refiners .....	epoia 1/1/03	---	---	-3	-3	-11	-23	-37	-16	[2]	1	2	-39	-89
4. 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 .....	tyea DOE	-2	-7	-7	-8	-8	-8	-8	-8	-9	-9	-9	-39	-83
5. Extension of suspension of 100% of taxable income limit with respect to marginal production (through 12/31/06) .....	DOE	---	-22	-35	-36	-13	---	---	---	---	---	---	-106	-106

Provision	Effective	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2003-08	2003-13
6. Amortize all geological and geophysical ("G&G") expenditures over 2 years .....	cpoi tyba DOE	20	-174	-429	-434	-325	-262	-227	-192	-182	-188	-194	-1,604	-2,586
7. Amortize all delay rental payments over 2 years .....	apoi tyba DOE	31	13	-62	-66	-39	-11	-1	-1	-1	-1	-1	-135	-138
8. Extension and modification of section 29 credit for facilities placed in service after the date of enactment and before 1/1/07, including viscous oil, coalmine gas, agricultural and animal waste, and refined coal; extension and modification of section 29 credit for certain coal gasification and coke production through 12/31/05; clarification of definition of landfill gas facility; study of coal bed methane; for new facilities described in section 29 (c)(1)(A) & (B), credit rate is equal to \$3.00 BOE; and 200,000 cubic feet per day limit [5] .....	DOE	-45	-189	-373	-549	-611	-469	-230	-50	[2]	---	---	-2,236	-2,516
9. Natural gas distribution lines treated as 15-year property .....	ppisa DOE	-5	-23	-50	-71	-100	-127	-152	-179	-209	-238	-252	-375	-1,406
10. Provisions Relating to Alaska Natural Gas:														
a. Credit for Alaska Natural Gas .....	[6]	----- No Revenue Effect -----												
b. Treat certain Alaska pipeline property as 7-year property .....	ppisa 2014	----- No Revenue Effect -----												
11. Exempt certain prepayments for natural gas from tax-exempt bond arbitrage rules .....	oia DOE	[2]	[2]	-1	-1	-2	-3	-3	-4	-5	-5	-6	-7	-31
<b>Total of Oil and Gas Provisions .....</b>		<b>-3</b>	<b>-409</b>	<b>-972</b>	<b>-1,183</b>	<b>-1,126</b>	<b>-948</b>	<b>-710</b>	<b>-510</b>	<b>-474</b>	<b>-516</b>	<b>-546</b>	<b>-4,639</b>	<b>-7,397</b>
<b>Electric Utility Restructuring Provisions</b>														
1. Modification to special rules for nuclear decommissioning costs - transfer of non-qualified funds (buyer gets deduction over life of plant); eliminate cost of service requirement; and clarify treatment of fund transfers .....	tyba DOE	-21	-66	-69	-76	-85	-94	-103	-113	-125	-137	-151	-411	-1,040
2. Treatment of certain income of electric cooperatives .....	tyba DOE	-1	-12	-19	-21	-23	-25	-27	-29	-32	-35	-37	-101	-262
3. Sales or dispositions to implement Federal Energy Regulatory Commission or State electric restructuring policy prior to 1/1/08 .....	ta DOE	-413	-989	-1054	-1271	-816	477	1013	1034	976	798	579	-4,067	334
<b>Total of Electric Utility Restructuring Provisions .....</b>		<b>-435</b>	<b>-1,067</b>	<b>-1,142</b>	<b>-1,368</b>	<b>-924</b>	<b>358</b>	<b>883</b>	<b>892</b>	<b>819</b>	<b>626</b>	<b>391</b>	<b>-4,579</b>	<b>-968</b>
<b>Additional Provisions</b>														
1. Extension of accelerated depreciation and wage credit benefits for businesses on Indian reservations (through 12/31/05) .....	DOE	---	4	-176	-303	-109	21	75	118	97	52	6	-564	-216
2. Study of effectiveness of certain provisions by GAO .....	DOE	----- No Revenue Effect -----												
3. Repeal of the 4.3 cent tax on rail and barge diesel [7] .....	1/1/04	---	-107	-156	-161	-166	-171	-176	-182	-187	-192	-197	-761	-1,695
4. Modify research credit with respect to energy research .....	ea DOE	---	-3	-7	-4	-2	-1	-1	[2]	---	---	---	-18	-18
<b>Total of Additional Provisions .....</b>		<b>---</b>	<b>-106</b>	<b>-339</b>	<b>-468</b>	<b>-277</b>	<b>-151</b>	<b>-102</b>	<b>-64</b>	<b>-90</b>	<b>-140</b>	<b>-191</b>	<b>-1,343</b>	<b>-1,929</b>
<b>Revenue Provisions</b>														
1. Provisions relating to reportable transactions and tax shelters .....	various dates after DOE [8]	35	92	115	119	120	124	131	139	150	164	179	604	1,366

Provision	Effective	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2003-08	2003-13
2. Provisions to Discourage Corporate Expatiation:														
a. Tax treatment of inversion transactions .....	[9]	34	159	117	140	168	202	242	290	348	418	493	820	2,611
b. Excise tax on stock compensation of insiders in inverted corporations .....	generally 7/11/02	21	14	10	10	10	10	10	10	10	10	10	75	125
c. Reinsurance agreements .....	rra 4/11/02	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	2	5
3. Extend IRS User Fees (through 9/30/13) [10] .....	DOE	---	33	34	35	36	38	39	41	42	44	45	176	386
4. Add Hepatitis A to the list of taxable vaccines .....	[11]	3	8	9	9	9	9	9	9	9	9	9	45	91
5. Modification of the tax treatment of individual expatriation and residency termination .....	[12]	3	16	18	21	24	28	32	37	43	49	56	110	328
<b>Total of Revenue Provisions .....</b>		<b>96</b>	<b>322</b>	<b>303</b>	<b>334</b>	<b>367</b>	<b>411</b>	<b>463</b>	<b>526</b>	<b>602</b>	<b>694</b>	<b>792</b>	<b>1,832</b>	<b>4,912</b>
<b>NET TOTAL .....</b>		<b>-457</b>	<b>-2,188</b>	<b>-3,631</b>	<b>-4,502</b>	<b>-3,659</b>	<b>-1,258</b>	<b>-225</b>	<b>235</b>	<b>349</b>	<b>156</b>	<b>-67</b>	<b>-15,699</b>	<b>-15,253</b>

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding. Date of enactment is assumed to be July 1, 2003.

Legend for "Effective" column:

apoi = amounts paid or incurred in  
apb = appliances produced between  
ccb = construction completed by  
cpoi = costs paid or incurred in  
DOE = date of enactment  
ea = expenditures after

epoi = expenses paid or incurred after  
esqfa = electricity sold from qualifying facilities after  
fsa = fuel sold after  
oia = obligation issued after  
pa = production after  
ppb = property purchased between

ppisa = property placed in service after  
ppisb = property placed in service between  
rra = risk reinsured after  
ta = transactions after  
tyba = taxable years beginning after  
tybb = taxable years beginning before

[1] Gain of less than \$1 million.

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

[5] Qualified facilities would be given credit for three years of production (five years in the case of refined coal).

[6] Effective the later of January 1, 2010, or initial date of interstate transportation of qualifying gas.

[7] Estimate assumes that the rail diesel LUST tax of 0.1 cents per gallon would be retained.

[8] Effective dates for provisions relating to reportable transactions and tax shelters: the penalty for failure to disclose reportable transactions is effective for returns and statements the due date of which is after the date of enactment; the modification to the accuracy-related penalty for listed or reportable transactions is effective for taxable years ending after the date of enactment; the tax shelter exception to confidentiality privileges is effective for communications made on or after the date of enactment; the material advisor disclosure provision applies to transactions with respect to which material aid, assistance or advice is provided after the date of enactment; the investor list provision applies to transactions with respect to which material aid, assistance or advice is provided after the date of enactment, and the penalty on promoters of tax shelters is effective for activities after the date of enactment.

[9] Effective for certain transactions completed after March 20, 2002, and would also affect certain taxpayers who completed transactions before March 21, 2002.

[10] Estimate provided by the Congressional Budget Office.

[11] Effective for vaccines sold beginning on the first day of the first month beginning more than four weeks after the date of enactment.

[12] Effective for individuals who expatriate or terminate long-term residency after February 27, 2003.