

COMPARISON OF THE ESTIMATED BUDGET EFFECTS OF
 DIVISION C. OF H.R. 4, THE "ENERGY TAX POLICY ACT OF 2001," AS PASSED BY THE HOUSE OF REPRESENTATIVES AND
 DIVISION H. OF H.R. 4, THE "ENERGY TAX INCENTIVES ACT OF 2002," AND CERTAIN MANDATES, AS AMENDED BY THE SENATE

Fiscal Years 2002 - 2011

[Millions of Dollars]

Provision	Effective	Division C of H.R. 4, as Passed by the House									Division H of H.R. 4, and Certain Mandates, as Amended by the Senate							
		2002	2003	2004	2005	2006	2007	2002-07	2002-12	2002	2003	2004	2005	2006	2007	2002-07	2002-12	
Division C. of H.R. 4, as Passed by the House of Representatives, and Division H. of H.R. 4, as Amended by the Senate																		
Conservation Provisions																		
1. {H} 15% credit for residential solar hot water (through 12/31/06) and photovoltaics (through 12/31/08); {S} credit for residential solar, photovoltaic, and other energy efficient property	H = tyba 12/31/01 S = ppb 1/1/03 & 12/31/07	---	-15	-11	-14	-19	-23	-82	-125	---	-34	-129	-89	-86	-75	-413	-470	
2. Credit for producing electricity from certain sources {H} extend property placed in service before 1/1/07; {S} extend and modify, property placed in service before 1/1/07 (1/1/05 in the case of open-loop)	esfqfa DOE	-25	-105	-147	-191	-241	-251	-958	-1,828	-19	-94	-172	-240	-258	-266	-1,050	-2,287	
3. Fuel Cells - {H} credit for non-business and business installation of qualifying fuel cells (through 12/31/06); {S} business tax incentives for qualifying fuel cells and microturbine plants	H = epoia 12/31/01 S = Ppib 1/1/03 & 12/31/07	-2	-7	-10	-18	-21	-12	-66	-67	---	-4	-10	-17	-24	-15	-71	-82	
4. Alternative motor vehicle credit {H} credit for property placed in service before 1/1/08 (1/1/12 in case of fuels cells), deduction for property placed in service before 1/1/08; {S} no lean burn, credit for property placed in service before 1/1/08 (1/1/12 in the case of hydrogen fueled); deduction for property placed in service before 1/1/08 (1/1/12 in the case of hydrogen fueled)	H = ppisa 12/31/01 S = ppisa 9/30/02	-39	-96	-183	-287	-325	-312	-1,243	-1,288	---	-36	-164	-282	-323	-202	-1,006	-940	
5. Refueling property {H} extension of deduction for property placed in service before 1/1/08; {S} credits and deduction for installation of alternative fueling stations (deduction for property placed in service before 1/1/08 (1/1/12 in the case of hydrogen fuel); credit for property placed in service before 1/1/07 (1/1/12 in the case of hydrogen)	H = DOE S = ppisa 9/30/02 & DOE	---	---	-58	-76	-70	-66	-269	-109	---	-2	-60	-78	-72	-67	-278	-117	
6. Modification of credit for qualified electric vehicles (purchased before 1/1/08)	H = ppisa 12/31/01 S = ppisa 9/30/02	---	-6	-12	-17	-26	-40	-101	-98	----- Included in Item #4. -----								
7. 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	----- No Provision -----									---	-52	-100	-169	-215	-90	-627	-632
8. Credit for energy efficient appliances	H = [1] S = apb 1/1/03 & 12/31/06 [2]	-29	-62	-53	-43	-29	-16	-232	-241	---	-19	-31	-33	-65	-50	-198	-241	
9. Credit for energy efficient improvements to existing homes	H = iib 1/1/02 & 12/31/06 S = iib DOE & 12/31/06	---	-539	-708	-770	-770	-700	-3,487	-3,780	---	-89	-117	-128	-111	-38	-483	-494	
10. Business credit for construction of new energy efficient homes	H = ppb 1/1/03 & 12/31/06 S = ppb DOE & 12/31/07	-10	-20	-20	-14	-10	-5	-79	-80	-8	-17	-19	-16	-15	-16	-91	-106	
11. Allowance of deduction for certain energy efficient commercial building property	H = tyba 12/31/01 & ppib 1/1/07 S = 10/1/02 for pcp 1/1/08 & ccb 1/1/10	-49	-75	-76	-80	-81	-28	-389	-389	---	-60	-61	-63	-64	-65	-313	-401	

Provision	Effective	Division C of H.R. 4, as Passed by the House								Division H of H.R. 4, and Certain Mandates, as Amended by the Senate							
		2002	2003	2004	2005	2006	2007	2002-07	2002-12	2002	2003	2004	2005	2006	2007	2002-07	2002-12
12. Allowance of deduction for new and retrofitted energy management devices; three-year applicable recovery period for depreciation of qualified new energy management devices:																	
a. Gas and electric devices	ppisa DOE	-9	-13	-14	-23	-26	-25	-109	-201	-9	-13	-14	-23	-26	-25	-109	-201
b. {S} Water submetering devices (sunset for property placed in service after 12/31/07)	ppisa DOE	----- No Provision -----								-2	-5	-7	-12	-18	-26	-71	-48
13. Energy credit for combined heat and power system property	H = episb 1/1/02 & 12/31/06 S = episb 1/1/03 & 12/31/06	-6	-37	-65	-72	-76	-51	-307	-357	---	-34	-65	-73	-77	-52	-301	-350
14. Allow personal energy credits against the alternative minimum tax	tyba 12/31/01	---	---	-11	-18	-27	-26	-82	-100	----- Included in Individual Energy Credit Provisions -----							
15. Repeal certain excise taxes on railroad diesel fuel and inland waterway fuel - reduce excise taxes by 1 cent/gallon in 2001 through 2004, 2 cents/gallon in 2005 and 2006, 3 cents/gallon in 2007 and 2008, 4 cents/gallon in 2009, and 4.3 cents/gallon thereafter	10/1/01	-31	-33	-34	-61	-74	-104	-337	-1,170	----- No Provision -----							
16. Btu-based highway excise tax rate for diesel fuel blended with water	fra 9/30/01	----- Loss of Less Than \$500,000 -----								----- No Provision -----							
17. Modifications to small producer ethanol credit	tyba DOE	----- No Provision -----								---	-16	-34	-34	-34	-34	-152	-171
18. Transfer full amount of excise tax imposed on gasohol to the Highway Trust Fund	10/1/03	----- No Provision -----								----- No Revenue Effect -----							
19. Modify income tax and excise tax rules governing treatment of ETBE	DOE	----- No Provision -----								----- Negligible Revenue Effect -----							
20. Tax incentives for biodiesel (sunset 12/31/05) [3]	1/1/03	----- No Provision -----								---	-11	-21	-29	-9	---	-70	-70
21. Credit for taxpayers owning commercial power takeoff vehicles (sunset 12/31/04)	tyba DOE	----- No Provision -----								[4]	-22	-34	-12	---	---	-68	-68
22. Credit for production from a qualifying clean coal technology unit	pa DOE	----- No Provision -----								---	-2	-33	-61	-73	-84	-253	-733
23. Investment credit for advanced clean coal technology {H} through 12/31/11; {S} through 12/31/16 (12/31/12 in the case of advanced pulverized coal or atmospheric fluidized bed)	H = epoia 12/31/01 S = ppisa DOE	---	-3	-72	-175	-183	-151	-585	-890	---	-1	-22	-54	-56	-47	-180	-394
24. Credit for production of electricity from qualifying advanced clean coal technology units	pa DOE	---	[4]	-15	-63	-135	-205	-419	-2,101	---	[5]	-5	-19	-42	-63	-129	-780
Total of Conservation Provisions		-200	-1,011	-1,489	-1,922	-2,113	-2,015	-8,745	-12,824	-38	-511	-1,098	-1,432	-1,568	-1,215	-5,863	-8,585
Reliability Provisions																	
1. Natural gas gathering pipelines treated as seven-year property	ppisa DOE	-1	-4	-5	-6	-7	-8	-31	-87	-1	-4	-5	-6	-7	-8	-31	-87
2. Gas distribution pipelines treated as {H} 10-year property; {S} 15-year property	ppisa DOE	-30	-114	-218	-309	-394	-482	-1,546	-4,867	-6	-23	-46	-67	-90	-114	-345	-1,271
3. Petroleum refining property treated as 7-year property	ppisa DOE	-14	-56	-99	-129	-157	-188	-643	-1,351	----- No Provision -----							
4. Expensing of capital costs incurred for production in complying with Environmental Protection Agency sulfur regulations for small refiners	epoia DOE	---	---	---	---	-8	-15	-22	-90	---	---	---	---	-8	-16	-24	-97
5. Credit for small refiners for production in complying with Environmental Protection Agency sulfur regulations for small refiners	epoia DOE	----- Included in Item #4. -----								----- Included in Item #4. -----							
6. 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 {H} 75,000 barrels; {S} 60,000 barrels	H = tyba 12/31/01 S = tyba 12/31/02	-6	-10	-11	-11	-11	-12	-60	-123	---	-4	-7	-7	-7	-7	-32	-71
7. Modifications to rules governing issuance of tax-exempt bonds for public power facilities	DOE	-15	-109	-191	-251	-291	-320	-1,177	-3,080	----- Negligible Revenue Effect -----							

Provision	Effective	Division C of H.R. 4, as Passed by the House								Division H of H.R. 4, and Certain Mandates, as Amended by the Senate							
		2002	2003	2004	2005	2006	2007	2002-07	2002-12	2002	2003	2004	2005	2006	2007	2002-07	2002-12
8. Dispositions of transmission property to implement FERC restructuring policy (H) or distributions of stock before 1/1/09; (S) before 1/1/07, to implement FERC or State electric restructuring policy	H = [6] S = ta DOE	-340	-844	-1,176	-1,380	-856	-210	-4,806	-2,462	-272	-650	-1,055	-1,158	-886	299	-3,723	184
9. Distributions of stock to implement FERC or State electric restructuring policy [7]	H = [6]	----- Included in Item #8. -----								----- No Provision -----							
10. Ongoing study and reports with regard to tax issues resulting from future restructuring decisions	DOE	----- No Provision -----								----- No Revenue Effect -----							
11. Modification to special rules for nuclear decommissioning costs - (H) transfer of non-qualified funds; eliminate cost of service requirement, permit full funding in qualified fund, and clarify treatment of fund transfers; (S) eliminate cost of service requirement and clarify treatment of fund transfers	H = tyba 2001 S = tyba 2002	-63	-127	-156	-166	-185	-209	-906	-2,214	---	-18	-46	-56	-75	-99	-294	-1,052
12. Treatment of certain electric cooperatives:																	
a. Treatment of certain income of electric cooperatives	tyba DOE	[8]	-9	-16	-19	-21	-23	-87	-235	-6	-13	-16	-19	-21	-23	-97	-245
b. Treatment of certain development income of cooperatives - exempt receipts for the construction of line extensions to encourage development of nonconventional fuel sources, which qualify for a credit under section 29, from the 85/15 income test for 501(c)(12) cooperatives	tyba DOE	----- No Provision -----								----- No Provision -----							
13. Same depreciation methods for the gas and oil property listed above for regular and minimum tax [9]	ppisa DOE	-1	-3	-5	-7	-12	-17	-44	-96	----- No Provision -----							
Total of Reliability Provisions		-470	-1,276	-1,877	-2,278	-1,942	-1,484	-9,322	-14,605	-295	-803	-1,353	-1,520	-1,247	-39	-5,257	-3,365
Production Provisions																	
1. Credit for marginal domestic oil and natural gas well production	H = pi tyba 12/31/01 S = pi tyba DOE	----- No Revenue Effect -----								----- No Revenue Effect -----							
2. Net income limitation on percentage depletion for oil and gas property and suspension of limitation based on 65 percent of taxable income:																	
a. Temporary suspension of limitation based on 65 percent of taxable income (through 12/31/06)	tyba 12/31/01	-96	-160	-173	-180	-187	-66	-862	-862	----- No Provision -----							
b. Extension of suspension of 100% of taxable income limit with respect to marginal production (through 12/31/06)	tyba 12/31/01	---	---	-25	-40	-42	-15	-123	-123	---	---	-25	-40	-42	-15	-123	-123
3. Modify treatment of delay rental payments	H = apoi tyba 12/31/01 S = apoi tyba 12/31/02	-75	-117	-117	-118	-119	-120	-668	-1,294	---	107	44	-82	-116	-116	-162	-672
4. Modify treatment of geological and geophysical expenditures	H = cpoi tyba 12/31/01 S = cpoi tyba 12/31/02	-123	-201	-193	-191	-193	-184	-1,083	-2,083	---	291	205	-73	-154	-146	122	-675
5. Allow net operating losses from oil and gas properties to be carried back for up to five years	NOLf tyba 12/31/01	---	-53	-78	-87	-108	-121	-447	-1,071	----- No Provision -----							
6. Extension and modification of section 29 credit for (H) producing fuel from a non-conventional source (placed in service through 12/31/06) (S) facilities placed in service after the date of enactment and before 1/1/05 (1/1/07 in the case of refined coal), including viscous oil, coalmine methane, agricultural and animal waste, and refined coal; extension and modification of section 29 credit for certain coal gasification production through 12/31/04; study of coal bed methane [10]	H = fsfqfa DOE S = DOE	-11	-105	-227	-364	-507	-548	-1,762	-2,661	-32	-232	-467	-537	-390	-167	-1,825	-1,875
7. Allow certain business energy credits against the alternative minimum tax	tyea DOE	-19	-58	-95	-144	-93	-9	-419	-385	----- Included in Business Energy Credit Provisions -----							
8. Repeal alternative minimum tax intangible drilling costs ("IDC") preference for oil and gas production	tyba 12/31/01 & tybb 1/1/05	-21	-28	-25	[4]	11	9	-54	-24	----- No Provision -----							

Provision	Effective	Division C of H.R. 4, as Passed by the House								Division H of H.R. 4, and Certain Mandates, as Amended by the Senate							
		2002	2003	2004	2005	2006	2007	2002-07	2002-12	2002	2003	2004	2005	2006	2007	2002-07	2002-12
9. Allow enhanced oil recovery credit against the alternative minimum tax	tyba 12/31/01 & tybb 1/1/05	-75	-118	-121	-31	17	16	-312	-241	----- No Provision -----							
10. Extension of accelerated depreciation and wage credit benefits for businesses on Indian reservations (H) energy-related businesses (through 12/31/06); (S) all businesses (through 12/31/05)	DOE	---	---	2	-69	-198	-179	-443	-280	---	---	4	-168	-301	-116	-581	-199
Total of Production Provisions		-420	-840	-1,052	-1,224	-1,419	-1,217	-6,173	-9,024	-32	166	-239	-900	-1,003	-560	-2,569	-3,544
Additional Provisions																	
1. Exempt certain prepayments for natural gas from tax-exempt bond arbitrage rules - require 85% of the gas be sold within the State for bonds issued after the date of enactment	generally DOE	[4]	-1	-1	-2	-2	-3	-10	-58	----- No Provision -----							
2. Study of effectiveness of certain provisions by GAO	DOE	----- No Revenue Effect -----															
3. Credit for Alaskan North Slope natural gas	[11]	----- No Revenue Effect -----															
4. Sale of gasoline and diesel fuel at duty-free sales enterprises	DOE	----- No Provision -----								[12]	1	1	1	1	1	5	9
5. Nonrecognition of gain on dairy property dispositions under bovine tuberculosis eradication program	tyea 5/22/01	----- Negligible Revenue Effect -----															
6. Expand excise tax exemptions for agricultural aerial applicators and broader exemption for air transportation tax to include fixed-wing aircraft used in forestry (sunset 12/31/02)	1/1/02	----- No Provision -----								-3	-2	---	---	---	---	-5	-5
7. Expand the definition of rural airports exempt from the tax imposed on each segment of a flight	cyba 2002	----- No Provision -----															
8. Exempt transportation by seaplane from ticket taxes	cyba 2002	----- No Provision -----															
Total of Additional Provisions		[4]	-1	-1	-2	-2	-3	-10	-58	-3	-3	-1	-1	-1	-2	-13	-26
Total of Division C. of H.R. 4, as Passed by the House of Representatives, and Division H. of H.R. 4, as Amended by the Senate		-1,090	-3,128	-4,419	-5,426	-5,476	-4,719	-24,250	-36,511	-368	-1,151	-2,691	-3,853	-3,819	-1,816	-13,702	-15,520
Certain Mandates Affecting Tax Receipts																	
1. Renewable Portfolio Standard	DOE	----- No Provision -----															
2. Renewable Fuels Mandate - require that motor fuel contain certain specific amounts of renewable fuel	DOE	----- No Provision -----															
Total of Certain Mandates Affecting Tax Receipts		---	---	---	---	---	---	---	---	---	-42	-101	-185	-311	-436	-1,076	-5,108
NET TOTAL		-1,090	-3,128	-4,419	-5,426	-5,476	-4,719	-24,250	-36,511	-368	-1,193	-2,792	-4,038	-4,130	-2,252	-14,778	-20,628

Joint Committee on Taxation

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

Legend: {H} = Division C. of H.R. 4, as Passed by the House of Representatives
{S} = Division H. of H.R. 4, as Amended by the Senate

Legend for "Effective" column:

apb = appliances produced between
apoi = amounts paid or incurred in
ccb = construction completed before
cpoi = costs paid or incurred in
cyba = calendar years beginning after
DOE = date of enactment
epoi = expenses paid or incurred after
epis = equipment placed in service between

esfqa = electricity sold from qualifying facilities after
fra = fuels removed after
fsfqa = fuel sold from qualifying facilities after
iib = improvements installed between
NOLf = net operating losses for
pa = production after
pi = production in
pcpt = plans certified prior to

ppb = property purchased between
ppisa = property placed in service after
Ppib = property placed in service between
ppib = property placed in service before
ta = transactions after
tyba = taxable years beginning after
tybb = taxable years beginning before
tyea = taxable years ending after

Footnotes for JCX-44-02:

- [1] Effective for taxable years beginning after the date of enactment and property produced before January 1, 2007 (January 1, 2005, in the case of refrigerators that only meet the 10-percent credit standard).
- [2] Effective for property produced before January 1, 2005, in the case of refrigerators that only meet the 10-percent credit standard.
- [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] Loss of less than \$500,000.
- [5] Gain of less than \$1 million.
- [6] Effective for transactions occurring after and distributions occurring after the date of enactment and before January 1, 2009.
- [7] As a result of significant interactions, the estimated revenue effect of this provision is included with item #8. of Reliability Provisions relating to dispositions of transmission property to implement FERC restructuring.
- [8] Loss of less than \$1 million.
- [9] Relates to items #1, #2, and #3 of Reliability Provisions.
- [10] Qualified facilities would be given credit for three years of production (five years in the case of refined coal).
- [11] Effective the later of January 1, 2010, or the initial date for the interstate transportation of eligible Alaska natural gas.
- [12] Gain of less than \$500,000.