

Calendar No. 309

112TH CONGRESS
2^D SESSION

S. 2064

To amend the Internal Revenue Code of 1986 to terminate certain energy tax subsidies and lower the corporate income tax rate.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 2, 2012

Mr. DEMINT (for himself and Mr. LEE) introduced the following bill; which was read the first time

FEBRUARY 6, 2012

Read the second time and placed on the calendar

A BILL

To amend the Internal Revenue Code of 1986 to terminate certain energy tax subsidies and lower the corporate income tax rate.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS; ETC.**

4 (a) **SHORT TITLE.**—This Act may be cited as the
5 “Energy Freedom and Economic Prosperity Act”.

6 (b) **REFERENCE TO 1986 CODE.**—Except as other-
7 wise expressly provided, whenever in this Act an amend-

1 ment or repeal is expressed in terms of an amendment
 2 to, or repeal of, a section or other provision, the reference
 3 shall be considered to be made to a section or other provi-
 4 sion of the Internal Revenue Code of 1986.

5 (c) TABLE OF CONTENTS.—The table of contents for
 6 this Act is as follows:

Sec. 1. Short title; table of contents; etc.

TITLE I—REPEAL OF ENERGY TAX SUBSIDIES

- Sec. 101. Repeal of credit for alcohol fuel, biodiesel, and alternative fuel mix-
 tures.
- Sec. 102. Repeal of credit for certain plug-in electric vehicles.
- Sec. 103. Early termination of credit for qualified fuel cell motor vehicles.
- Sec. 104. Repeal of alternative fuel vehicle refueling property credit.
- Sec. 105. Repeal of credit for alcohol used as fuel.
- Sec. 106. Repeal of credit for biodiesel and renewable diesel used as fuel.
- Sec. 107. Repeal of enhanced oil recovery credit.
- Sec. 108. Termination of credit for electricity produced from certain renewable
 resources.
- Sec. 109. Repeal of credit for producing oil and gas from marginal wells.
- Sec. 110. Termination of credit for production from advanced nuclear power fa-
 cilities.
- Sec. 111. Repeal of credit for carbon dioxide sequestration.
- Sec. 112. Termination of energy credit.
- Sec. 113. Repeal of qualifying advanced coal project.
- Sec. 114. Repeal of qualifying gasification project credit.
- Sec. 115. Repeal of American Recovery and Reinvestment Act of 2009 energy
 grant program.

TITLE II—REDUCTION OF CORPORATE INCOME TAX RATE

- Sec. 201. Corporate income tax rate reduced.

7 **TITLE I—REPEAL OF ENERGY** 8 **TAX SUBSIDIES**

9 **SEC. 101. REPEAL OF CREDIT FOR ALCOHOL FUEL, BIO-** 10 **DIESEL, AND ALTERNATIVE FUEL MIXTURES.**

11 (a) IN GENERAL.—Section 6426 is repealed.

12 (b) CONFORMING AMENDMENTS.—

1 (1) Subparagraph (D) of section 6427(e)(6) of
2 such Code is amended by striking “September 30,
3 2014” and inserting “September 30, 2012”.

4 (2) Paragraph (1) of section 4101(a) is amend-
5 ed by striking “or alcohol (as defined in section
6 6426(b)(4)(A))”.

7 (3) Paragraph (2) of section 4104(a) is amend-
8 ed by striking “6426, or 6427(e)”.

9 (4) Subparagraph (E) of section 7704(d)(1) is
10 amended—

11 (A) by inserting “(as in effect on the day
12 before the date of the enactment of the Energy
13 Freedom and Economic Prosperity Act)” after
14 “of section 6426”, and

15 (B) by inserting “(as so in effect)” after
16 “section 6426(b)(4)(A)”.

17 (5) Paragraph (1) of section 9503(b) is amend-
18 ed by striking the second sentence.

19 (c) CLERICAL AMENDMENT.—The table of sections
20 for subchapter B of chapter 65 is amended by striking
21 the item relating to section 6426.

22 (d) EFFECTIVE.—The amendments made by this sec-
23 tion shall apply with respect to fuel sold and used after
24 December 31, 2012.

1 **SEC. 102. REPEAL OF CREDIT FOR CERTAIN PLUG-IN ELEC-**
2 **TRIC VEHICLES.**

3 (a) IN GENERAL.—Section 30 is repealed.

4 (b) CONFORMING AMENDMENTS.—

5 (1) Paragraph (3) of section 24(b) is amended
6 by striking “, 30”.

7 (2) Clause (ii) of section 25(e)(1)(C) is amend-
8 ed by striking “, 30”.

9 (3) Paragraph (2) of section 25B(g) is amended
10 by striking “, 30”.

11 (4) Paragraph (1) of section 26(a) is amended
12 by striking “, 30”.

13 (5) Subclause (VI) of section 48C(e)(1)(A)(i) is
14 amended by inserting “(as in effect on the day be-
15 fore the date of the enactment of the Energy Free-
16 dom and Economic Prosperity Act)” after “section
17 30(d)”.

18 (6) Paragraph (3) of section 179A(c) is amend-
19 ed by inserting “(as in effect on the day before the
20 date of the enactment of the Energy Freedom and
21 Economic Prosperity Act)” after section “30(c)”.

22 (7) Subsection (a) of section 1016 is amended
23 by striking paragraph (25) and by redesignating
24 paragraphs (26) through (37) as paragraphs (25)
25 through (36), respectively.

1 (8) Subsection (m) of section 6501 is amended
2 by striking “30(e)(6)”.

3 (c) CLERICAL AMENDMENT.—The table of sections
4 for subpart B of part IV of subchapter A of chapter 1
5 is amended by striking the item relating to section 30.

6 (d) EFFECTIVE DATE.—The amendments made by
7 this section shall apply to property placed in service after
8 December 31, 2011.

9 **SEC. 103. EARLY TERMINATION OF CREDIT FOR QUALIFIED**
10 **FUEL CELL MOTOR VEHICLES.**

11 (a) IN GENERAL.—Section 30B is repealed.

12 (b) CONFORMING AMENDMENTS.—

13 (1) Subparagraph (A) of section 24(b)(3) is
14 amended by striking “, 30B”.

15 (2) Clause (ii) of section 25(e)(1)(C) is amend-
16 ed by striking “, 30B”.

17 (3) Paragraph (2) of section 25B(g) is amended
18 by striking “, 30B,”.

19 (4) Paragraph (1) of section 26(a) is amended
20 by striking “, 30B”.

21 (5) Subsection (b) of section 38 is amended by
22 striking paragraph (25).

23 (6) Subsection (a) of section 1016, as amended
24 by section 102 of this Act, is amended by striking
25 paragraph (33) and by redesignating paragraphs

1 (34), (35), and (36) as paragraphs (33), (34), and
2 (35), respectively.

3 (7) Paragraph (2) of section 1400C(d) is
4 amended by striking “, 30B”.

5 (8) Subsection (m) of section 6501 is amended
6 by striking “, 30B(h)(9)”.

7 (c) CLERICAL AMENDMENT.—The table of sections
8 for subpart B of part IV of subchapter A of chapter 1
9 is amended by striking the item relating to section 30B.

10 (d) EFFECTIVE DATE.—The amendments made by
11 this section shall apply to property placed in service after
12 December 31, 2012.

13 **SEC. 104. REPEAL OF ALTERNATIVE FUEL VEHICLE RE-**
14 **FUELING PROPERTY CREDIT.**

15 (a) IN GENERAL.—Section 30C is repealed.

16 (b) CONFORMING AMENDMENTS.—

17 (1) Subsection (b) of section 38 is amended by
18 striking paragraph (26).

19 (2) Paragraph (3) of section 55(c) is amended
20 by striking “, 30C(d)(2),”.

21 (3) Subsection (a) of section 1016, as amended
22 by sections 102 and 103 of this Act, is amended by
23 striking paragraph (33) and by redesignating para-
24 graph (34) and (35) as paragraphs (33) and (34),
25 respectively.

1 (4) Subsection (m) of section 6501 is amended
2 by striking “, 30C(e)(5)”.

3 (c) CLERICAL AMENDMENT.—The table of sections
4 for subpart B of part IV of subchapter A of chapter 1
5 is amended by striking the item relating to section 30C.

6 (d) EFFECTIVE DATE.—The amendments made by
7 this section shall apply to property placed in service after
8 December 31, 2012.

9 **SEC. 105. REPEAL OF CREDIT FOR ALCOHOL USED AS**
10 **FUEL.**

11 (a) IN GENERAL.—Section 40 is repealed.

12 (b) CONFORMING AMENDMENTS.—

13 (1) Subsection (b) of section 38 is amended by
14 striking paragraph (3).

15 (2) Subsection (c) of section 196 is amended by
16 striking paragraph (3) and by redesignating para-
17 graphs (4) through (14) as paragraphs (3) through
18 (13), respectively.

19 (3) Paragraph (1) of section 4101(a) is amend-
20 ed by striking “, and every person producing cellu-
21 losic biofuel (as defined in section 40(b)(6)(E))”.

22 (4) Paragraph (1) of section 4104(a) is amend-
23 ed by striking “, 40”.

1 (c) CLERICAL AMENDMENT.—The table of sections
2 for subpart D of part IV of subchapter A of chapter 1
3 is amended by striking the item relating to section 40.

4 (d) EFFECTIVE DATE.—The amendments made by
5 this section shall apply to fuel sold or used after December
6 31, 2012.

7 **SEC. 106. REPEAL OF CREDIT FOR BIODIESEL AND RENEW-**
8 **ABLE DIESEL USED AS FUEL.**

9 (a) IN GENERAL.—Section 40A is repealed.

10 (b) CONFORMING AMENDMENT.—

11 (1) Subsection (b) of section 38 is amended by
12 striking paragraph (17).

13 (2) Section 87 is repealed.

14 (3) Subsection (c) of section 196, as amended
15 by section 106 of this Act, is amended by striking
16 paragraph (11) and by redesignating paragraphs
17 (11), (12), and (13) as paragraphs (10), (11), and
18 (12), respectively.

19 (4) Paragraph (1) of section 4101(a) is amend-
20 ed by striking “, every person producing or import-
21 ing biodiesel (as defined in section 40A(d)(1))”.

22 (5) Paragraph (1) of section 4104(a) is amend-
23 ed by striking “, and 40A”.

1 (6) Subparagraph (E) of section 7704(d)(1) is
2 amended by inserting “(as so in effect)” after “sec-
3 tion 40A(d)(1)”.

4 (c) CLERICAL AMENDMENTS.—

5 (1) The table of sections for subpart D of part
6 IV of subchapter A of chapter 1 is amended by
7 striking the item relating to section 40A.

8 (2) The table of sections for part II of sub-
9 chapter A of chapter 1 is amended by striking the
10 item relating to section 87.

11 (d) EFFECTIVE DATE.—The amendments made by
12 this section shall apply to fuel produced, and sold or used,
13 after December 31, 2011.

14 **SEC. 107. REPEAL OF ENHANCED OIL RECOVERY CREDIT.**

15 (a) IN GENERAL.—Section 43 is repealed.

16 (b) CONFORMING AMENDMENTS.—

17 (1) Subsection (b) of section 38 is amended by
18 striking paragraph (6).

19 (2) Paragraph (4) of section 45Q(d) is amended
20 by inserting “(as in effect on the day before the date
21 of the enactment of the Energy Freedom and Eco-
22 nomic Prosperity Act)” after “section 43(c)(2)”.

23 (3) Subsection (c) of section 196, as amended
24 by sections 106 and 107 of this Act, is amended by
25 striking paragraph (5) and by redesignating para-

1 graphs (6) through (12) as paragraphs (5) through
2 (11), respectively.

3 (c) CLERICAL AMENDMENT.—The table of sections
4 for subpart D of part IV of subchapter A of chapter 1
5 is amended by striking the item relating to section 43.

6 (d) EFFECTIVE DATE.—The amendments made by
7 this section shall apply to costs paid or incurred in taxable
8 years beginning after December 31, 2012.

9 **SEC. 108. TERMINATION OF CREDIT FOR ELECTRICITY**
10 **PRODUCED FROM CERTAIN RENEWABLE RE-**
11 **SOURCES.**

12 (a) IN GENERAL.—Subsection (d) of section 45 is
13 amended—

14 (1) by striking “2013” in paragraph (1) and in-
15 serting “2012”, and

16 (2) by striking “2014” each place it appears in
17 paragraphs (2), (3), (4), (6), (7), (9), and (11) and
18 inserting “2012”.

19 (b) EFFECTIVE DATE.—The amendments made by
20 this section shall apply to property placed in service after
21 December 31, 2012.

22 **SEC. 109. REPEAL OF CREDIT FOR PRODUCING OIL AND**
23 **GAS FROM MARGINAL WELLS.**

24 (a) IN GENERAL.—Section 45I is repealed.

1 (b) CONFORMING AMENDMENT.—Subsection (b) of
2 section 38 is amended by striking paragraph (19).

3 (c) CLERICAL AMENDMENT.—The table of sections
4 for subpart D of part IV of subchapter A of chapter 1
5 is amended by striking the item relating to section 45I.

6 (d) EFFECTIVE DATE.—The amendments made by
7 this section shall apply to production in taxable years be-
8 ginning after December 31, 2012.

9 **SEC. 110. TERMINATION OF CREDIT FOR PRODUCTION**
10 **FROM ADVANCED NUCLEAR POWER FACILI-**
11 **TIES.**

12 (a) IN GENERAL.—Subparagraph (B) of section
13 45J(d)(1) is amended by striking “January 1, 2021” and
14 inserting “January 1, 2013”.

15 (b) EFFECTIVE DATE.—The amendments made by
16 this section shall apply to property placed in service after
17 December 31, 2012.

18 **SEC. 111. REPEAL OF CREDIT FOR CARBON DIOXIDE SE-**
19 **QUESTRATION.**

20 (a) IN GENERAL.—Section 45Q is repealed.

21 (b) CONFORMING AMENDMENT.—Subsection (b) of
22 section 38 is amended by striking paragraph (34).

23 (c) CLERICAL AMENDMENT.—The table of sections
24 for subpart D of part IV of subchapter A of chapter 1
25 is amended by striking the item relating to section 45Q.

1 (d) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to carbon dioxide captured after
3 December 31, 2012.

4 **SEC. 112. TERMINATION OF ENERGY CREDIT.**

5 (a) IN GENERAL.—Section 48 is amended—

6 (1) by striking “January 1, 2017” each place
7 it appears and inserting “January 1, 2013”,

8 (2) by striking “December 31, 2016” each
9 place it appears and inserting “December 31,
10 2012”, and

11 (3) by striking “2012, or 2013” in subsection
12 (a)(5)(C)(ii) and inserting “or 2012”.

13 (b) EFFECTIVE DATE.—The amendments made by
14 this section shall apply to property placed in service after
15 December 31, 2012.

16 **SEC. 113. REPEAL OF QUALIFYING ADVANCED COAL**
17 **PROJECT.**

18 (a) IN GENERAL.—Section 48A is repealed.

19 (b) CONFORMING AMENDMENT.—Section 46 is
20 amended by striking paragraph (3) and by redesignating
21 paragraphs (4), (5), and (6) as paragraphs (3), (4), and
22 (5), respectively.

23 (c) CLERICAL AMENDMENT.—The table of sections
24 for subpart E of part IV of subchapter A of chapter 1
25 is amended by striking the item relating to section 48A.

1 (d) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to property placed in service after
3 December 31, 2012.

4 **SEC. 114. REPEAL OF QUALIFYING GASIFICATION PROJECT**
5 **CREDIT.**

6 (a) IN GENERAL.—Section 48B is repealed.

7 (b) CONFORMING AMENDMENT.—Section 46, as
8 amended by this Act, is amended by striking paragraph
9 (3) and by redesignating paragraphs (4) and (5) as para-
10 graphs (3) and (4), respectively.

11 (c) CLERICAL AMENDMENT.—The table of sections
12 for subpart E of part IV of subchapter A of chapter 1
13 is amended by striking the item relating to section 48B.

14 (d) EFFECTIVE DATE.—The amendments made by
15 this section shall apply to property placed in service after
16 December 31, 2012.

17 **SEC. 115. REPEAL OF AMERICAN RECOVERY AND REIN-**
18 **VESTMENT ACT OF 2009 ENERGY GRANT PRO-**
19 **GRAM.**

20 (a) IN GENERAL.—Section 1603 of division B of the
21 American Recovery and Reinvestment Act of 2009 is re-
22 pealed.

23 (b) EFFECTIVE DATE.—The amendment made by
24 this section shall apply to property placed in service after
25 December 31, 2011.

1 **TITLE II—REDUCTION OF**
2 **CORPORATE INCOME TAX RATE**

3 **SEC. 201. CORPORATE INCOME TAX RATE REDUCED.**

4 (a) IN GENERAL.—Not later than 1 year after the
5 date of the enactment of this Act, the Secretary of the
6 Treasury shall prescribe proportionate modifications to
7 each of the rates of tax under paragraph (1) of section
8 11(b) of the Internal Revenue Code of 1986 such that—

9 (1) the decrease in revenue to the Treasury for
10 taxable years beginning during the 10-year period
11 beginning on the date of the enactment of this Act,
12 as estimated by the Secretary, is equal to

13 (2) the increase in revenue for such taxable
14 years by reason of the amendments made by title I
15 of this Act, as estimated by the Secretary.

16 The appropriate corresponding changes shall be made to
17 the dollar amounts contained in the last 2 sentences of
18 section 11(b)(1) of such Code and to the rates of tax
19 under section 11(b)(2) of such Code, section 1201(a) of
20 such Code, and paragraphs (1), (2), and (6) of section
21 1445(e) of such Code.

22 (b) EFFECTIVE DATE.—The rates prescribed by the
23 Secretary under subsection (a) shall apply to taxable years
24 beginning more than 1 year after the date of the enact-
25 ment of this Act.

Calendar No. 309

112TH CONGRESS
2^D SESSION

S. 2064

A BILL

To amend the Internal Revenue Code of 1986 to terminate certain energy tax subsidies and lower the corporate income tax rate.

FEBRUARY 6, 2012

Read the second time and placed on the calendar