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(Original Signature of Member)

114TH CONGRESS
1ST SESSION

H. R.

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

IN THE HOUSE OF REPRESENTATIVES

Mr. POMPEO introduced the following bill; which was referred to the Committee on _____

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-
8 ment or repeal is expressed in terms of an amendment

1 to, or repeal of, a section or other provision, the reference
2 shall be considered to be made to a section or other provi-
3 sion of the Internal Revenue Code of 1986.

4 (c) TABLE OF CONTENTS.—The table of contents for
5 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. Early termination of credit for qualified fuel cell motor vehicles.

Sec. 103. Early termination of new qualified plug-in electric drive motor vehi-
cles.

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.

TITLE II—REDUCTION OF CORPORATE INCOME TAX RATE

Sec. 201. Corporate income tax rate reduced.

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

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

10 (a) IN GENERAL.—Section 6426 is repealed.

11 (b) CONFORMING AMENDMENTS.—

12 (1) Section 4101(a)(1) is amended by striking
13 “or alcohol (as defined in section 6426(b)(4)(A))”.

1 (2) Section 4104(a)(2) is amended by striking
2 “6426, or 6427(e)”.

3 (3) Section 6427 is amended by striking sub-
4 section (e).

5 (4) Section 7704(d)(1)(E) is amended—

6 (A) by inserting “(as in effect on the day
7 before the date of the enactment of the Energy
8 Freedom and Economic Prosperity Act)” after
9 “of section 6426”, and

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

12 (5) Section 9503(b)(1) is amended by striking
13 the second sentence.

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

17 (d) IN GENERAL.—The amendments made by this
18 section shall apply with respect to fuel sold and used after
19 December 31, 2014.

20 **SEC. 102. EARLY TERMINATION OF CREDIT FOR QUALIFIED**
21 **FUEL CELL MOTOR VEHICLES.**

22 (a) IN GENERAL.—Section 30B is repealed.

23 (b) CONFORMING AMENDMENTS.—

24 (1) Section 38(b) is amended by striking para-
25 graph (25).

1 (2) Section 1016(a) is amended by striking
2 paragraph (35) and by redesignating paragraphs
3 (36) and (37) as paragraphs (35) and (36), respec-
4 tively.

5 (3) Section 6501(m) is amended by striking
6 “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 take effect on the date of the enactment
12 of this Act.

13 **SEC. 103. EARLY TERMINATION OF NEW QUALIFIED PLUG-**
14 **IN ELECTRIC DRIVE MOTOR VEHICLES.**

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

16 (b) EFFECTIVE DATE.—The amendment made by
17 this section shall apply to vehicles placed in service after
18 the date of the enactment of this Act.

19 **SEC. 104. REPEAL OF ALTERNATIVE FUEL VEHICLE RE-**
20 **FUELING PROPERTY CREDIT.**

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

22 (b) CONFORMING AMENDMENTS.—

23 (1) Section 38(b) is amended by striking para-
24 graph (26).

1 (3) Section 4101(a)(1), as amended by this Act,
2 is amended by striking “, and every person pro-
3 ducing cellulosic biofuel (as defined in section
4 40(b)(6)(E))”.

5 (4) Section 4104(a)(1) is amended by striking
6 “, 40,”.

7 (c) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to fuel sold or used after the date
9 of the enactment of this Act.

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

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

13 (b) CONFORMING AMENDMENT.—

14 (1) Section 38(b) is amended by striking para-
15 graph (17).

16 (2) Section 87 is repealed.

17 (3) Section 196(c), as amended by section 105
18 of this Act, is amended by striking paragraph (11)
19 and by redesignating paragraphs (11), (12), and
20 (13) as paragraphs (10), (11), and (12), respec-
21 tively.

22 (4) Section 4101(a)(1) is amended by striking
23 “, every person producing or importing biodiesel (as
24 defined in section 40A(d)(1))”.

1 (5) Section 4104(a)(1) is amended by striking
2 “and 40A”.

3 (6) Section 7704(d)(1)(E) is amended by in-
4 serting “(as so in effect)” after “section 40A(d)(1)”.

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

8 (d) EFFECTIVE DATE.—The amendments made by
9 this section shall apply to fuel produced, and sold or used,
10 after the date of the enactment of this Act.

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

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

13 (b) CONFORMING AMENDMENTS.—

14 (1) Section 38(b) is amended by striking para-
15 graph (6).

16 (2) Section 45Q(d)(4) is amended by inserting
17 “(as in effect on the day before the date of the en-
18 actment of the Energy Freedom and Economic Pros-
19 perity Act)” after “section 43(c)(2)”.

20 (3) Section 196(c), as amended by sections 105
21 and 106 of this Act, is amended by striking para-
22 graph (5) and by redesignating paragraphs (6)
23 through (12) as paragraphs (5) through (11), re-
24 spectively.

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 43.

4 (d) EFFECTIVE DATE.—The amendments made by
5 this section shall apply to costs paid or incurred after De-
6 cember 31, 2014.

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

10 (a) IN GENERAL.—Section 45 is repealed.

11 (b) CLERICAL AMENDMENT.—The table of sections
12 for subpart D of part IV of subchapter A of chapter 1
13 is amended by striking the item relating to section 45.

14 (c) EFFECTIVE DATE.—The amendments made by
15 this section shall apply to property placed in service after
16 December 31, 2014.

17 **SEC. 109. REPEAL OF CREDIT FOR PRODUCING OIL AND**
18 **GAS FROM MARGINAL WELLS.**

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

20 (b) CONFORMING AMENDMENT.—Section 38(b) is
21 amended by striking paragraph (19).

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

1 (d) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to production in taxable years be-
3 ginning after December 31, 2014.

4 **SEC. 110. TERMINATION OF CREDIT FOR PRODUCTION**
5 **FROM ADVANCED NUCLEAR POWER FACILI-**
6 **TIES.**

7 (a) IN GENERAL.—Section 45J(d)(1)(B) is amended
8 by striking “January 1, 2021” and inserting “January 1,
9 2017”.

10 (b) EFFECTIVE DATE.—The amendment made by
11 this section shall apply to property placed in service after
12 December 31, 2016.

13 **SEC. 111. REPEAL OF CREDIT FOR CARBON DIOXIDE SE-**
14 **QUESTRATION.**

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

16 (b) CONFORMING AMENDMENT.—Section 38(b) is
17 amended by striking paragraph (34).

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

21 (d) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to carbon dioxide captured after
23 December 31, 2014.

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

25 (a) IN GENERAL.—Section 48 is repealed.

1 (b) 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 48.

4 (c) EFFECTIVE DATE.—The amendments made by
5 this section shall apply to property placed in service after
6 December 31, 2016.

7 **SEC. 113. REPEAL OF QUALIFYING ADVANCED COAL**
8 **PROJECT.**

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

10 (b) CONFORMING AMENDMENTS.—

11 (1) Section 38(b) is amended by striking para-
12 graph (10).

13 (2) Section 46 is amended by striking para-
14 graph (3) and by redesignating paragraphs (4), (5),
15 and (6) as paragraphs (3), (4), and (5), respectively.

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

19 (d) EFFECTIVE DATE.—The amendments made by
20 this section shall apply to property placed in service after
21 December 31, 2014.

22 **SEC. 114. REPEAL OF QUALIFYING GASIFICATION PROJECT**
23 **CREDIT.**

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

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

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

8 (d) EFFECTIVE DATE.—The amendments made by
9 this section shall apply to property placed in service after
10 December 31, 2014.

11 **TITLE II—REDUCTION OF** 12 **CORPORATE INCOME TAX RATE**

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

14 (a) IN GENERAL.—Not later than 1 year after the
15 date of the enactment of this Act, the Secretary of the
16 Treasury shall prescribe a rate of tax in lieu of the rates
17 under paragraphs (1) and (2) of section 11(b), section
18 1201(a), and paragraphs (1), (2), and (6) of section
19 1445(e) to such a flat rate as the Secretary estimates
20 would result in—

21 (1) a decrease in revenue to the Treasury for
22 taxable years beginning during the 10-year period
23 beginning on the date of the enactment of this Act,
24 equal to

1 (2) the increase in revenue for such taxable
2 years by reason of the amendments made by title I
3 of this Act.

4 (b) EFFECTIVE DATE.—The rate prescribed by the
5 Secretary under subsection (a) shall apply to taxable years
6 beginning more than 1 year after the date of the enact-
7 ment of this Act.