

114TH CONGRESS
1ST SESSION

H. R. 1001

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

FEBRUARY 13, 2015

Mr. POMPEO (for himself, Mr. JONES, Mr. RIBBLE, Mr. DeSANTIS, and Mr. AMASH) introduced the following bill; which was referred to the Committee on Ways and Means

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
9 to, or repeal of, a section or other provision, the reference

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

3 (c) TABLE OF CONTENTS.—The table of contents for
 4 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.

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

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

9 (a) IN GENERAL.—Section 6426 is repealed.

10 (b) CONFORMING AMENDMENTS.—

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

13 (2) Section 4104(a)(2) is amended by striking
 14 “6426, or 6427(e)”.

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

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

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

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

10 (5) Section 9503(b)(1) is amended by striking
11 the second sentence.

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

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

18 **SEC. 102. EARLY TERMINATION OF CREDIT FOR QUALIFIED**
19 **FUEL CELL MOTOR VEHICLES.**

20 (a) IN GENERAL.—Section 30B is repealed.

21 (b) CONFORMING AMENDMENTS.—

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

24 (2) Section 1016(a) is amended by striking
25 paragraph (35) and by redesignating paragraphs

1 (36) and (37) as paragraphs (35) and (36), respec-
2 tively.

3 (3) Section 6501(m) is amended by striking
4 “30B(h)(9),”.

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

8 (d) EFFECTIVE DATE.—The amendments made by
9 this section shall take effect on the date of the enactment
10 of this Act.

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

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

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

17 **SEC. 104. REPEAL OF ALTERNATIVE FUEL VEHICLE RE-**
18 **FUELING PROPERTY CREDIT.**

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

20 (b) CONFORMING AMENDMENTS.—

21 (1) Section 38(b) is amended by striking para-
22 graph (26).

23 (2) Section 55(c)(3) is amended by striking
24 “sections 30C(d)(2) and” and inserting “section”.

1 (3) Section 1016(a), as amended by this Act, is
 2 amended by striking paragraph (35), by inserting
 3 “and” at the end of paragraph (34), and by redesignating
 4 paragraph (36) as paragraph (35).

5 (4) Section 6501(m), as amended by this Act,
 6 is amended by striking “30C(e)(5),”.

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 30C.

10 (d) EFFECTIVE DATE.—The amendments made by
 11 this section shall take effect on the date of the date of
 12 the enactment of this Act.

13 **SEC. 105. REPEAL OF CREDIT FOR ALCOHOL USED AS**
 14 **FUEL.**

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

16 (b) CONFORMING AMENDMENTS.—

17 (1) Section 38(b) is amended by striking para-
 18 graph (3).

19 (2) Section 196(c) is amended by striking para-
 20 graph (3) and by redesignating paragraphs (4)
 21 through (14) as paragraphs (3) through (13), re-
 22 spectively.

23 (3) Section 4101(a)(1), as amended by this Act,
 24 is amended by striking “, and every person pro-

1 ducing cellulosic biofuel (as defined in section
2 40(b)(6)(E))”.

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

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

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

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

11 (b) CONFORMING AMENDMENT.—

12 (1) Section 38(b) is amended by striking para-
13 graph (17).

14 (2) Section 87 is repealed.

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

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

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

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

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 40A.

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

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

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

11 (b) CONFORMING AMENDMENTS.—

12 (1) Section 38(b) is amended by striking para-
13 graph (6).

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

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

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 43.

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

4 **SEC. 108. TERMINATION OF CREDIT FOR ELECTRICITY**
5 **PRODUCED FROM CERTAIN RENEWABLE RE-**
6 **SOURCES.**

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

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

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

14 **SEC. 109. REPEAL OF CREDIT FOR PRODUCING OIL AND**
15 **GAS FROM MARGINAL WELLS.**

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

17 (b) CONFORMING AMENDMENT.—Section 38(b) is
18 amended by striking paragraph (19).

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

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

1 SEC. 110. TERMINATION OF CREDIT FOR PRODUCTION
2 FROM ADVANCED NUCLEAR POWER FACILI-
3 TIES.

4 (a) IN GENERAL.—Section 45J(d)(1)(B) is amended
5 by striking “January 1, 2021” and inserting “January 1,
6 2017”.

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

10 SEC. 111. REPEAL OF CREDIT FOR CARBON DIOXIDE SE-
11 QUESTRATION.

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

13 (b) CONFORMING AMENDMENT.—Section 38(b) is
14 amended by striking paragraph (34).

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

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

21 SEC. 112. TERMINATION OF ENERGY CREDIT.

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

23 (b) 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 48.

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

4 **SEC. 113. REPEAL OF QUALIFYING ADVANCED COAL**
5 **PROJECT.**

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

7 (b) CONFORMING AMENDMENTS.—

8 (1) Section 38(b) is amended by striking para-
9 graph (10).

10 (2) Section 46 is amended by striking para-
11 graph (3) and by redesignating paragraphs (4), (5),
12 and (6) as paragraphs (3), (4), and (5), respectively.

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

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

19 **SEC. 114. REPEAL OF QUALIFYING GASIFICATION PROJECT**
20 **CREDIT.**

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

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

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

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

7 **TITLE II—REDUCTION OF**
 8 **CORPORATE INCOME TAX RATE**

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

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

17 (1) a decrease in revenue to the Treasury for
 18 taxable years beginning during the 10-year period
 19 beginning on the date of the enactment of this Act,
 20 equal to

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

24 (b) EFFECTIVE DATE.—The rate prescribed by the
 25 Secretary under subsection (a) shall apply to taxable years

- 1 beginning more than 1 year after the date of the enact-
- 2 ment of this Act.

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