

113TH CONGRESS
1ST SESSION

H. R. 259

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

JANUARY 15, 2013

Mr. POMPEO (for himself, Mr. WHITFIELD, Mr. DUNCAN of South Carolina, Mr. HUELSKAMP, Mr. WESTMORELAND, Mr. STOCKMAN, Mr. MCCLINTOCK, Mr. AMASH, Mr. WILSON of South Carolina, Mr. BROUN of Georgia, Mr. RIBBLE, and Mr. MULVANEY) 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

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) Paragraph (1) of section 4101(a) is amend-
 13 ed by striking “or alcohol (as defined in section
 14 6426(b)(4)(A))”.

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

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

5 (4) Subparagraph (E) of section 7704(d)(1) is
6 amended—

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

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

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

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

18 (d) EFFECTIVE.—

19 (1) IN GENERAL.—Except as provided in para-
20 graph (2), the amendments made by this section
21 shall apply with respect to fuel sold and used after
22 the date of the enactment of this Act.

23 (2) LIQUEFIED HYDROGEN.—In the case of any
24 alternative fuel or alternative fuel mixture (as de-
25 fined in subsection (d)(2) or (e)(3) of section 6426

1 of the Internal Revenue Code of 1986 as in effect
2 before its repeal by this Act) involving liquefied hy-
3 drogen, the amendments made by this section shall
4 apply with respect to fuel sold and used after Sep-
5 tember 30, 2014.

6 **SEC. 102. EARLY TERMINATION OF CREDIT FOR QUALIFIED**
7 **FUEL CELL MOTOR VEHICLES.**

8 (a) **IN GENERAL.**—Section 30B is repealed.

9 (b) **CONFORMING AMENDMENTS.**—

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

12 (2) Paragraph (2) of section 25B(g) is amended
13 by striking “, 30B,”.

14 (3) Subsection (b) of section 38 is amended by
15 striking paragraph (25).

16 (4) Subsection (a) of section 1016 is amended
17 by striking paragraph (35) and by redesignating
18 paragraphs (36) and (37) as paragraphs (35) and
19 (36), respectively.

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

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

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

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

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

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

10 **SEC. 104. REPEAL OF ALTERNATIVE FUEL VEHICLE RE-**
11 **FUELING PROPERTY CREDIT.**

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

13 (b) CONFORMING AMENDMENTS.—

14 (1) Subsection (b) of section 38 is amended by
15 striking paragraph (26).

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

18 (3) Subsection (a) of section 1016, as amended
19 by section 102 of this Act, is amended by striking
20 paragraph (35) and by redesignating paragraph (36)
21 as paragraph (35).

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

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

4 (d) EFFECTIVE DATE.—The amendments made by
5 this section shall apply to property placed in service after
6 the date of the enactment of this Act.

7 **SEC. 105. REPEAL OF CREDIT FOR ALCOHOL USED AS**
8 **FUEL.**

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

10 (b) CONFORMING AMENDMENTS.—

11 (1) Subsection (b) of section 38 is amended by
12 striking paragraph (3).

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

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

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

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

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

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

4 (b) **CONFORMING AMENDMENT.**—

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

7 (2) Section 87 is repealed.

8 (3) Subsection (c) of section 196, as amended
9 by section 105 of this Act, is amended by striking
10 paragraph (11) and by redesignating paragraphs
11 (11), (12), and (13) as paragraphs (10), (11), and
12 (12), respectively.

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

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

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

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

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

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

2 (a) **IN GENERAL.**—Section 43 is repealed.

3 (b) **CONFORMING AMENDMENTS.**—

4 (1) Subsection (b) of section 38 is amended by
5 striking paragraph (6).

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

10 (3) Subsection (c) of section 196, as amended
11 by sections 105 and 106 of this Act, is amended by
12 striking paragraph (5) and by redesignating para-
13 graphs (6) through (12) as paragraphs (5) through
14 (11), respectively.

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 43.

18 (d) **EFFECTIVE DATE.**—The amendments made by
19 this section shall apply to costs paid or incurred after De-
20 cember 31, 2014.

21 **SEC. 108. TERMINATION OF CREDIT FOR ELECTRICITY**
22 **PRODUCED FROM CERTAIN RENEWABLE RE-**
23 **SOURCES.**

24 (a) **WIND.**—Subsection (d) of section 45 is amended
25 by striking “January 1, 2014” in paragraph (1) and in-

1 serting “the date of the enactment of the Energy Freedom
2 and Economic Prosperity Act”.

3 (b) INDIAN COAL.—Subparagraph (A) of section
4 45(e)(10) is amended by striking “8-year period” each
5 place it appears and inserting “7-year period”.

6 (c) EFFECTIVE DATE.—

7 (1) WIND.—The amendment made by sub-
8 section (a) shall apply to property placed in service
9 after the date of the enactment of this Act.

10 (2) INDIAN COAL.—The amendments made by
11 subsection (b) shall apply to coal produced after De-
12 cember 31, 2012.

13 (3) OTHER QUALIFIED ENERGY RESOURCES.—
14 For termination of other qualified energy resources
15 for property placed in service after December 31,
16 2013, see section 45 of the Internal Revenue Code
17 of 1986.

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

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

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

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 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.—Subparagraph (B) of section
8 45J(d)(1) is amended by striking “January 1, 2021” and
9 inserting “January 1, 2015”.

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

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

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

16 (b) EFFECTIVE DATE.—The amendment made by
17 this section shall apply to carbon dioxide captured after
18 December 31, 2014.

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

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

21 (1) by striking “January 1, 2017” each place
22 it appears and inserting “January 1, 2015”, and

23 (2) by striking “December 31, 2016” each
24 place it appears and inserting “December 31,
25 2014”.

1 (b) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to property placed in service after
3 December 31, 2014.

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

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

7 (b) CONFORMING AMENDMENT.—Section 46 is
8 amended by striking paragraph (3) and by redesignating
9 paragraphs (4), (5), and (6) as paragraphs (3), (4), and
10 (5), 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 48A.

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

17 **SEC. 114. REPEAL OF QUALIFYING GASIFICATION PROJECT**
18 **CREDIT.**

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

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