

114TH CONGRESS
1ST SESSION

H. R. 1901

To amend the Internal Revenue Code of 1986 to phaseout and repeal the credit for electricity produced from certain renewable resources, to reduce the corporate income tax, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 21, 2015

Mr. MARCHANT (for himself, Mr. POMPEO, Mr. SAM JOHNSON of Texas, Mr. PERRY, Mr. FLORES, Mr. SHUSTER, and Mr. SCALISE) 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 phaseout and repeal the credit for electricity produced from certain renewable resources, to reduce the corporate income tax, and for other purposes.

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.**

4 This Act may be cited as the “PTC Elimination Act”.

1 **SEC. 2. PHASEOUT AND REPEAL OF CREDIT FOR ELEC-**
2 **TRICITY PRODUCED FROM CERTAIN RENEW-**
3 **ABLE RESOURCES.**

4 (a) REDUCTION OF CREDIT AND PHASEOUT
5 AMOUNTS.—

6 (1) IN GENERAL.—Section 45(b) of the Internal
7 Revenue Code of 1986 is amended by striking para-
8 graph (2).

9 (2) CONFORMING AMENDMENTS.—Section
10 45(e)(2) of such Code is amended—

11 (A) by striking “the inflation adjustment
12 factor and” in subparagraph (A), and

13 (B) by striking subparagraph (B) and re-
14 designating subparagraph (C) as subparagraph
15 (B).

16 (3) EFFECTIVE DATE.—The amendments made
17 by this subsection shall apply to electricity, and re-
18 fined coal, produced and sold after December 31,
19 2015.

20 (b) SPECIAL RULE FOR DETERMINING BEGINNING
21 OF CONSTRUCTION.—

22 (1) IN GENERAL.—Section 45(e) of such Code
23 is amended by adding at the end the following new
24 paragraph:

25 “(12) SPECIAL RULE FOR DETERMINING BE-
26 GINNING OF CONSTRUCTION.—For purposes of sub-

1 section (d) and section 48(a)(5), the construction of
2 any facility, modification, improvement, addition, or
3 other property shall not be treated as beginning be-
4 fore any date unless there is a continuous program
5 of construction which begins, and makes significant
6 progress, before such date and ends on the date that
7 such property is placed in service.”.

8 (2) EFFECTIVE DATE.—The amendment made
9 by this subsection shall apply to taxable years begin-
10 ning before, on, or after the date of the enactment
11 of this Act.

12 (c) REPEAL OF CREDIT.—

13 (1) IN GENERAL.—Subpart D of part IV of
14 subchapter A of chapter 1 of such Code is amended
15 by striking section 45 (and by striking the item re-
16 lating to such section in the table of sections for
17 such subpart).

18 (2) CONFORMING AMENDMENTS.—

19 (A) Section 38(b) of such Code is amended
20 by striking paragraph (8).

21 (B) Section 45J of such Code is amended
22 by adding at the end the following new sub-
23 section:

24 “(f) REFERENCES TO SECTION 45.—Any reference
25 in this section to any provision of section 45 shall be treat-

1 ed as a reference to such provision as in effect immediately
2 before its repeal.”.

3 (C) Section 45K(g)(2) of such Code is
4 amended by striking subparagraph (E).

5 (D) Section 48 of such Code is amended
6 by adding at the end the following new sub-
7 section:

8 “(e) REFERENCES TO SECTION 45.—Any reference
9 in this section to any provision of section 45 shall be treat-
10 ed as a reference to such provision as in effect immediately
11 before its repeal.”.

12 (E) Section 54(d)(2)(A) of such Code is
13 amended by inserting “(as in effect immediately
14 before its repeal)” after “section 45(d)”.

15 (F) Section 54C(d)(1) of such Code is
16 amended by inserting “(as in effect immediately
17 before its repeal)” after “section 45(d)”.

18 (G) Section 54D(f)(1)(A)(iv) of such Code
19 is amended by inserting “(as in effect imme-
20 diately before its repeal)” after “section 45(d)”.

21 (H) Section 55(e)(1) of such Code is
22 amended by striking “45(e)(11)(C),”.

23 (3) EFFECTIVE DATE.—The amendments made
24 by this subsection shall apply to electricity, and re-

1 fined coal, produced and sold after December 31,
2 2025.

3 (d) SENSE OF CONGRESS REGARDING FURTHER EX-
4 TENSION.—It is the sense of the Congress that the credit
5 under section 45 of the Internal Revenue Code of 1986
6 should be allowed to expire and should not be extended
7 beyond the expiration dates specified in such section as
8 of the date of the enactment of this Act.

9 **SEC. 3. REDUCTION OF CORPORATE INCOME TAX.**

10 (a) IN GENERAL.—Section 11 of the Internal Rev-
11 enue Code of 1986 is amended by adding at the end the
12 following new subsection:

13 “(e) REDUCTION.—

14 “(1) IN GENERAL.—In the case of any taxable
15 year beginning more than 1 year after the date of
16 the enactment of this subsection, the amount of tax
17 otherwise imposed under this section with respect to
18 any taxpayer for such taxable year shall be reduced
19 by the applicable percentage of such amount.

20 “(2) APPLICABLE PERCENTAGE.—For purposes
21 of this subsection—

22 “(A) IN GENERAL.—The term ‘applicable
23 percentage’ means the percentage which the
24 Secretary estimates will result in—

1 “(i) a decrease in revenues to the
2 Treasury for the fiscal year which includes
3 the date of the enactment of this sub-
4 section and the 10 subsequent fiscal years,
5 which is equal to

6 “(ii) the increase in such revenues for
7 such taxable years by reason of the amend-
8 ments made by section 2 of the PTC
9 Elimination Act.

10 “(B) SINGLE PERCENTAGE.—The percent-
11 age under subparagraph (A) shall be deter-
12 mined by the Secretary not later than the date
13 which is 1 year after the date of the enactment
14 of this subsection and shall apply for all taxable
15 years to which paragraph (1) applies.”.

16 (b) EFFECTIVE DATE.—The amendment made by
17 this section shall apply to taxable years beginning more
18 than 1 year after the date of the enactment of this Act.

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