

106TH CONGRESS  
1ST SESSION

# S. 1411

To amend the Internal Revenue Code of 1986 to extend the credit for producing electricity from certain renewable resources.

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IN THE SENATE OF THE UNITED STATES

JULY 21, 1999

Mr. STEVENS introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to extend the credit for producing electricity from certain renewable resources.

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 “Fish Oil Heat Act of  
5 1999”.

6 **SEC. 2. EXTENSION OF CREDIT FOR PRODUCING HEAT**  
7 **FROM CERTAIN RESOURCES.**

8 (a) CREDIT FOR PRODUCING HEAT FROM FISH  
9 OIL.—Section 45(c)(1) of the Internal Revenue Code of  
10 1986 (defining qualified energy resources) is amended by

1 striking “and” at the end of subparagraph (A), by striking  
2 the period at the end of subparagraph (B) and inserting  
3 “, and”, and by adding at the end the following:

4 “(C) fish oil.”.

5 (b) DETERMINATION OF CREDIT FOR FISH OIL.—  
6 Section 45(a) of the Internal Revenue Code of 1986 is  
7 amended to read as follows:

8 “(a) GENERAL RULE.—For purposes of section 38,  
9 the renewable energy production credit for any taxable  
10 year is an amount equal to the sum of—

11 “(1) the product of—

12 “(A) 1.5 cents, multiplied by—

13 “(B) the kilowatt hours of electricity—

14 “(i) produced by the taxpayer—

15 “(I) from qualified energy re-  
16 sources; and

17 “(II) at a qualified facility during  
18 the 10 year period beginning on the  
19 date the facility was originally placed  
20 in service; and

21 “(ii) sold by the taxpayer to an unre-  
22 lated person during the taxable year; and

23 “(2) the product of—

24 “(A) .0004967 cents, multiplied by—

1           “(B) the Btus of heat generated and used  
2           by the taxpayer—

3                   “(i) from qualified energy resources  
4                   described in subsection (c)(1)(C); and

5                   “(ii) at a qualified facility (including a  
6                   fishing boat used in the fishing operation  
7                   of the taxpayer).”.

8           (c) INFLATION ADJUSTMENT.—Section 45(b)(2) of  
9           the Internal Revenue Code of 1986 (relating to credit and  
10           phaseout adjustment based on inflation) is amended to  
11           read as follows:

12                   “(2) CREDIT AND PHASEOUT ADJUSTMENT  
13                   BASED ON INFLATION.—

14                   “(A) IN GENERAL.—The amounts in sub-  
15                   section (a) and the 8 cent amount in paragraph  
16                   (1) shall each be adjusted by multiplying such  
17                   amount by the inflation factor for the calendar  
18                   year in which the sale occurs or in which the  
19                   heat is generated.

20                   “(B) ROUNDING.—If any amount as in-  
21                   creased under subparagraph (A)—

22                   “(i) in the case of an amount in sub-  
23                   section (a)(1) or paragraph (1), is not a  
24                   multiple of 0.1 cent, such amount shall be

1 rounded to the nearest multiple of 0.1  
2 cent; and

3 “(ii) in the case of an amount in sub-  
4 section (a)(2), is not a multiple of .0005  
5 cent, such amount shall be rounded to the  
6 nearest multiple of 0.0005 cent.”.

7 (d) DEFINITION OF FISH OIL.—Section 45(c) of the  
8 Internal Revenue Code of 1986 (relating to definitions)  
9 is amended by adding at the end the following:

10 “(4) FISH OIL.—The term ‘fish oil’ means fish  
11 oil as used as an energy source by a taxpayer in con-  
12 nection with the fishing operation of the taxpayer.”.

13 (e) CONFORMING AMENDMENTS.—

14 (1) Section 38(b)(8) and section 39(d)(3) of the  
15 Internal Revenue Code of 1986 are each amended by  
16 striking “electricity” each place it appears and in-  
17 serting “energy”.

18 (2) The table of contents for subpart D of part  
19 IV of subchapter A of chapter 1 of such Code is  
20 amended by striking the item relating to section 45  
21 and inserting the following:

“Sec. 45. Energy produced from certain renewable resources.”

22 (3) The heading of section 45 of such Code is  
23 amended by striking “**ELECTRICITY**” and inserting  
24 “**ENERGY**”.

1           (4) Paragraphs (1) and (2) of section 45(b) of  
2           such Code are amended by striking “subsection (a)”  
3           and inserting “subsection (a)(1)” each place it ap-  
4           pears.

5           (f) EXTENSION OF PLACED IN SERVICE DATE.—Sec-  
6           tion 45(c)(3) of the Internal Revenue Code of 1986 (defin-  
7           ing qualified facility) is amended by striking “1999” and  
8           inserting “2005”.

9           (g) EFFECTIVE DATE.—The amendments made by  
10          this section shall apply to facilities placed in service after  
11          the date of the enactment of this Act.

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