

**- Committee on Finance -  
 ESTIMATED REVENUE EFFECTS OF  
 THE "ENERGY IMPROVEMENT AND EXTENSION ACT OF 2008"**

**Fiscal Years 2009 - 2018**

*[Millions of Dollars]*

<b>Provision</b>	<b>Effective</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2009-13</b>	<b>2009-18</b>
<b>I. Energy Production Incentives</b>													
<b>A. Renewable Energy Incentives</b>													
1. Extension and modification of the section 45 renewable energy credit - extend by two years (one year for wind and refined coal) the section 45 placed-in-service period (excluding Indian coal and solar facilities); add marine and hydrokinetic energy as qualified energy resource; allow new biomass units to qualify for credit; clarify definition of trash combustion facilities; change definition of qualified hydropower production; and remove market value test for refined coal and increase emissions standards for refined coal.....	[1]	-142	-395	-569	-633	-653	-661	-677	-694	-699	-695	-2,392	-5,817
2. Extension and modification of the section 48 energy credit - add CHP and geothermal heat pump systems at 10% credit, increase fuel cell credit cap to \$1,500 per half KW, waive public utility rule, and allow against AMT; (sunset 12/31/16).....	[2]	-157	-198	-236	-217	-210	-224	-236	-230	-130	-56	-1,018	-1,894
3. Energy credit for commercial small wind property (sunset 12/31/16).....	ppisa DOE	-1	-2	-3	-4	-5	-7	-8	-10	-6	-2	-16	-48
4. Extend and modify credit for residential energy efficient property - allow credit against AMT, remove solar electric property cap; and add small wind (\$4,000 cap) and geothermal (\$2,000 cap) property (sunset 12/31/16).....	tyba 12/31/07	-47	-127	-130	-135	-140	-146	-152	-157	-156	-106	-578	-1,294

Provision	Effective	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2009-13	2009-18
5. New clean renewable energy bonds (\$800 million of bond allocation) [3] extend termination date for section 54 CREBs.....	bia DOE	-3	-8	-18	-29	-34	-35	-35	-35	-35	-35	-92	-267
6. Modify section 45 to add credit for steel industry fuel [4].....	[5]	-18	-20	-10	-6	-4	-2	[6]	---	---	---	-59	-61
<b>B. Carbon Mitigation and Coal Provisions</b>													
1. Expansion and modification of the advanced coal project investment credit.....	DOE	-389	-379	-312	-210	-111	-48	-10	9	14	14	-1,402	-1,424
2. Expansion and modification of coal gasification investment credit.....	DOE	----- <i>Estimate Included in Line Above</i> -----											
3. Temporary increase in coal excise tax; funding of Black Lung Disability Trust Fund:													
a. Extend excise tax on coal at current rates (sunset 12/31/18).....													
	DOE	---	---	---	---	---	203	271	271	271	271	---	1,287
b. Restructure Black Lung Trust Fund debt and Authorize intergovernmental transfer [7].....													
	DOE	----- <i>No Net Budget Effect</i> -----											
4. Special rules for refund of coal excise taxes paid by certain coal producers and exporters.....	DOE	-260	16	14	12	8	5	3	3	[8]	[8]	-211	-199
5. Industrial CO2 capture and sequestration tax credit.....	cdca DOE	---	---	-60	-155	-234	-284	-194	-104	-61	-29	-449	-1,119
6. Certain income and gains relating to industrial source carbon dioxide treated as qualifying income for publicly traded partnerships.....	tyea DOE	[6]	[6]	[6]	-1	-2	-3	-5	-7	-10	-13	-3	-41
7. Carbon audit of the tax code.....	DOE	----- <i>No Revenue Effect</i> -----											
<b>Total of Energy Production Incentives .....</b>		<b>-1,017</b>	<b>-1,113</b>	<b>-1,324</b>	<b>-1,378</b>	<b>-1,385</b>	<b>-1,202</b>	<b>-1,043</b>	<b>-954</b>	<b>-812</b>	<b>-651</b>	<b>-6,220</b>	<b>-10,877</b>
<b>II. Transportation and Domestic Fuel Security Provisions</b>													
1. Expansion of special depreciation allowance for cellulosic biofuel plant property through 2012.....	[9]	-1	-2	-1	---	---	1	1	1	---	---	-3	---
2. Extension and modification of credits for biodiesel and renewable diesel:													
a. Extend biodiesel (including 10 cents per gallon small agri-biodiesel producer credit), make \$1.00 per gallon credit available to all biodiesel, and add camelina to the nonexclusive list of sources for agri-biodiesel (sunset 12/31/09).....													
	fpsoua 12/31/08	-370	-137	---	---	---	---	---	---	---	---	-507	-507

Provision	Effective	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2009-13	2009-18
b. Extend renewable diesel through 12/31/2009; eliminate thermal depolymerization requirement; sunset credit for renewable diesel co-produced with petroleum products .....	fpsoua 12/31/08 & DOE	[6]	-5	---	---	---	---	---	---	---	---	-5	-5
c. Qualify biomass jet fuel for renewable diesel credit.....	fpsoua 12/31/08	[6]	---	---	---	---	---	---	---	---	---	[6]	[6]
3. Clarification that credits for fuel are designed to provide incentive for fuels with sufficient nexus to the United States.....	[10]	42	16	3	---	---	---	---	---	---	---	61	61
4. Extension and modification of alternative fuels excise tax credits, credit allowed for aviation use of fuel, alternative fuel to include compressed or liquefied biomass gas, and additional carbon dioxide sequestration requirements for Fischer-Tropsch processing (sunset 12/31/09 for non-hydrogen fuels).....	DOE & fsoua DOE	---	-61	---	---	---	---	---	---	---	---	-61	-61
5. Credit for new qualified plug-in electric drive motor vehicles - 250,000 vehicle cap, 4 kilowatt-hour battery minimum.....	tyba 12/31/08	[6]	-3	-25	-130	-156	-212	-233	---	---	---	-314	-758
6. Exclusion from heavy vehicles excise tax for idling reduction units and advanced insulation.....	soia DOE	-2	-3	-5	-7	-9	-10	-12	-14	-15	-17	-27	-95
7. Alternative fuel vehicle refueling property credit - one-year extension including electric vehicle recharging stations, maximum \$30,000/30% credit..	ppisa DOE & tyba DOE	-1	-31	-26	-9	-10	-12	-3	2	2	2	-77	-87
8. Income and gains from storage or transportation of alcohol fuels and mixtures, biodiesel fuels and mixtures, and alternative fuels and mixtures treated as qualifying income for publicly traded partnerships.....	tyea DOE	-4	-4	-5	-6	-7	-8	-9	-10	-12	-13	-26	-78
9. Modification of election to expense certain refineries (sunset 12/31/13).....	ppisa DOE	-72	-79	-64	-721	-1,133	-144	443	356	288	233	-2,069	-894
10. Extension of suspension of 100 percent-of-net-income limitation on percentage depletion for oil and natural gas from marginal properties (sunset 12/31/09).....	tyba 12/31/08	-81	-43	---	---	---	---	---	---	---	---	-124	-124

Provision	Effective	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2009-13	2009-18
11. Extend transportation fringe benefit to bicycle commuters.....	tyba 12/31/08	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-5	-10
<b>Total of Transportation and Domestic Fuel Security Provisions .....</b>		<b>-490</b>	<b>-353</b>	<b>-124</b>	<b>-874</b>	<b>-1,316</b>	<b>-386</b>	<b>186</b>	<b>334</b>	<b>262</b>	<b>204</b>	<b>-3,157</b>	<b>-2,558</b>
<b>III. Energy Conservation and Efficiency Provisions</b>													
1. Qualified energy conservation bonds (\$800 million allocation) [3].....	bia DOE	-7	-18	-27	-32	-32	-32	-32	-32	-32	-32	-116	-276
2. Extension and modification of credit for energy efficiency improvements to existing homes (sunset 12/31/09).....	ppisa 12/31/08	-10	-817	---	---	---	---	---	---	---	---	-827	-827
3. Extension of energy efficient commercial buildings deduction (sunset 12/31/13).....	DOE	-113	-183	-193	-197	-201	-59	17	15	13	10	-888	-891
4. Extension of credit for energy efficient new homes (sunset 12/31/09).....	ppisa 12/31/08	-21	-16	-6	-5	-4	-4	-3	-1	---	---	-52	-61
5. Extension and modification of energy efficient appliance credit .....	apa 12/31/07	-182	-65	-36	-26	-11	-2	---	---	---	---	-320	-322
6. 10-year applicable recovery period for qualified smart electric distribution property, 150 declining balance method.....	ppisa DOE	-5	-17	-34	-53	-70	-89	-114	-143	-176	-213	-179	-915
7. Extend qualified green building and sustainable design project bonds (sunset 9/30/12).....	DOE	---	-1	-3	-5	-6	-6	-6	-6	-6	-6	-15	-45
8. Special depreciation allowance for certain reuse and recycling property.....	ppisa 8/31/08	-17	-32	-27	-21	-17	-14	-11	-8	-7	-8	-114	-162
<b>Total of Energy Conservation and Efficiency Provisions .....</b>		<b>-355</b>	<b>-1,149</b>	<b>-326</b>	<b>-339</b>	<b>-341</b>	<b>-206</b>	<b>-149</b>	<b>-175</b>	<b>-208</b>	<b>-249</b>	<b>-2,511</b>	<b>-3,499</b>
<b>IV. Revenue Provisions</b>													
1. Freeze at 6% the section 199 deduction for income attributable to domestic production of oil, gas, or primary products thereof.....	tyba 12/31/08	---	226	450	483	519	557	598	642	690	741	1,678	4,906
2. Eliminate the distinction between FOGEI and FORI and apply present-law FOGEI rules to all foreign income from the production and sale of oil and gas product.....	tyba 2008	89	194	204	214	225	236	248	260	273	287	926	2,230
3. Broker reporting of customer's basis in securities transactions.....	[11]	---	---	---	42	264	457	983	1,482	1,669	1,773	306	6,670
4. FUTA surtax of 0.2 percent (sunset 12/31/09) [7]....	wpa 12/31/07	1,061	413	---	---	---	---	---	---	---	---	1,474	1,474

Provision	Effective	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2009-13	2009-18
5. Extend and increase excise tax rate for the Oil Spill Liability Trust Fund (\$0.08 through 12/31/16, and \$0.09 for 1/1/17 through 12/31/17); eliminate the provision that suspends the tax when the trust fund unobligated balance exceeds \$2.7 billion.....	[12] & DOE	155	157	159	161	162	163	164	165	206	221	795	1,715
<b>Total of Provisions that Raise Revenue .....</b>		<b>1,305</b>	<b>990</b>	<b>813</b>	<b>900</b>	<b>1,170</b>	<b>1,413</b>	<b>1,993</b>	<b>2,549</b>	<b>2,838</b>	<b>3,022</b>	<b>5,179</b>	<b>16,995</b>
<b>NET TOTAL .....</b>		<b>-557</b>	<b>-1,625</b>	<b>-961</b>	<b>-1,691</b>	<b>-1,872</b>	<b>-381</b>	<b>987</b>	<b>1,754</b>	<b>2,080</b>	<b>2,326</b>	<b>-6,709</b>	<b>61</b>

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding. Date of enactment is assumed to be October 1, 2008.

Legend for "Effective" column:

- |                                      |  |  |
|--------------------------------------|--|--|
| apa = appliances produced after      | DOE = date of enactment                      | ppisa = property placed in service after |
| Apa = alcohol produced after         | ea = expenditures after                      | soia = sales or installation after       |
| bia = bonds issued after             | fpsoua = fuels produced, sold, or used after | spa = services performed after           |
| bib = bonds issued before            | frap = Federal regulations are prescribed    | tyba = taxable years beginning after     |
| cdca = carbon dioxide captured after | pa = payments after                          | wpa = wages paid after                   |

- [1] The proposal is generally effective for property originally placed in service after December 31, 2008. The repeal of the credit phaseout is effective for taxable years ending after December 31, 2008. The production credit for marine renewables is effective for electricity produced and sold after the date of enactment in taxable years ending after the date of enactment.
- [2] The provision extending the 30-percent credit is generally effective on the date of enactment. The CHP credit and the increase in the credit cap for fuel cells apply to periods after the date of enactment, in taxable years ending after such date, under rules similar to the rules of section 48(m) of the Internal Revenue Code (the "Code") (as in effect on the day before the enactment of the Revenue Reconciliation Act of 1990). The provision relating to the restrictions on public utility property applies to periods after February 13, 2008, in taxable years ending after such date, under rules similar to the rules of section 48(m) of the Code (as in effect on the day before the enactment of the Revenue Reconciliation Act of 1990). The allowance of the credit against the alternative minimum tax is effective for taxable years beginning after the date of enactment. The energy credit for geothermal heat pump systems is effective for property placed in service after the date of enactment.
- [3] Credit rate set at 70 percent of the credit rate that would allow bonds to be issued without discount or premium.
- [4] Credit is available for 15 months for existing facilities and one year for new facilities.
- [5] Effective for fuel produced after October 1, 2008, and one year from date placed in service for new facilities.
- [6] Loss of less than \$500,000.
- [7] Estimate provided by the Congressional Budget Office.
- [8] Gain of less than \$500,000.
- [9] Effective for property placed in service after the date of enactment in taxable years ending after the date of enactment.
- [10] Effective for claims for credit or payment made on or after May 15, 2008.
- [11] Generally effective for transactions on or after January 1, 2011, for stock in a corporation; January 1, 2012, for mutual funds; and January 1, 2013, for other securities.
- [12] Effective for the first quarter that begins more than 60 days after the date of enactment.