

104<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 1637

To amend the Internal Revenue Code of 1986 to repeal the requirement that a taxpayer must receive a ruling from the Secretary of the Treasury in order to determine the deduction for contributions to a reserve for nuclear decommissioning costs, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 15, 1995

Mr. CRANE introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to repeal the requirement that a taxpayer must receive a ruling from the Secretary of the Treasury in order to determine the deduction for contributions to a reserve for nuclear decommissioning costs, 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 “Nuclear Decommis-  
5 sioning Costs Simplification Act of 1995”.

1 **SEC. 2. SIMPLIFICATION OF DEDUCTION FOR NUCLEAR DE-**  
2 **COMMISSIONING COSTS.**

3 (a) REPEAL OF RULING AMOUNT.—

4 (1) IN GENERAL.—Paragraph (2) of section  
5 468A(b) of the Internal Revenue Code of 1986 (re-  
6 lating to limitation on amounts paid into fund) is  
7 amended to read as follows:

8 “(2) the scheduled amount applicable to such  
9 taxable year.”

10 (2) SCHEDULED AMOUNT.—Subsection (d) of  
11 section 468A of such Code is amended to read as  
12 follows:

13 “(d) SCHEDULED AMOUNT.—For purposes of this  
14 section, the term ‘scheduled amount’ means, with respect  
15 to any taxable year, the amount necessary to—

16 “(1) fund that portion of the nuclear decommis-  
17 sioning costs of the taxpayer with respect to the nu-  
18 clear powerplant which bears the same ratio to the  
19 total nuclear decommissioning costs with respect to  
20 such nuclear powerplant as the period for which the  
21 Fund is in effect bears to the estimated useful life  
22 of such nuclear powerplant, and

23 “(2) prevent any excessive funding of such costs  
24 or the funding of such costs at a rate more rapid  
25 than level funding, taking into account appropriate

1 discount rates, determined in accordance with guide-  
2 lines prescribed by the Secretary.”

3 (b) TREATMENT OF INCORRECT FUNDING.—Sub-  
4 section (e) of section 468A of such Code is amended by  
5 adding at the end the following new paragraph:

6 “(8) TREATMENT OF INCORRECT FUNDING.—

7 “(A) EXCESS CONTRIBUTION.—If there is  
8 a final determination that the amount shown on  
9 the return as the deduction under subsection  
10 (a) for any taxable year exceeded the amount  
11 allowable as a deduction for such taxable  
12 year—

13 “(i) such excess shall be treated for  
14 purposes of this chapter as allowable as a  
15 deduction under subsection (a) for such  
16 taxable year,

17 “(ii) the Fund shall be allowed a de-  
18 duction for the Fund’s taxable year in  
19 which such determination becomes final in  
20 an amount equal to the aggregate earnings  
21 attributable to such excess which were in-  
22 cludible in the gross income of the Fund  
23 for all preceding taxable years, and

24 “(iii) the limitation under subsection  
25 (b) for the taxpayer’s taxable year in which

1           such determination becomes final shall be  
2           reduced by the sum of such excess and  
3           such earnings.

4           If the reduction required under clause (iii) for  
5           any taxable year exceeds the limitation under  
6           subsection (b) for such year, such limitation  
7           shall not be reduced below zero, and such ex-  
8           cess shall applied to reduce such limitation for  
9           succeeding taxable years.

10           “(B) CONTRIBUTION SHORTFALL.—If  
11           there is a final determination that the amount  
12           allowable as a deduction under subsection (a)  
13           for any taxable year exceeds the amount shown  
14           on the return as the deduction under subsection  
15           (a) for such taxable year, the limitation under  
16           subsection (b) for the taxable year in which  
17           such determination becomes final shall be in-  
18           creased by the amount of such excess.”

19           (c) EFFECTIVE DATE.—The amendments made by  
20           this section shall apply to taxable years beginning after  
21           the date of the enactment of this Act.

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