

106TH CONGRESS  
2D SESSION

# S. 3171

To amend the Internal Revenue Code of 1986 to extend the section 29 credit for producing fuel from a nonconventional source.

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## IN THE SENATE OF THE UNITED STATES

OCTOBER 5 (legislative day, SEPTEMBER 22), 2000

Mr. MURKOWSKI (for himself, Mr. BREAUX, and Mr. STEVENS) introduced the following bill; which was referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to extend the section 29 credit for producing fuel from a nonconventional source.

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 “Energy Security for  
5 American Consumers Act of 2000”.

6 **SEC. 2. EXTENSION OF CREDIT FOR PRODUCING FUEL**  
7 **FROM A NONCONVENTIONAL SOURCE.**

8 (a) EXTENSION OF CREDIT.—Subsection (f) of sec-  
9 tion 29 of the Internal Revenue Code of 1986 (relating

1 to credit for producing fuel from a nonconventional  
2 source) is amended—

3 (1) in paragraph (1)(A), by inserting before  
4 “or” the following: “or from a well drilled after the  
5 date of the enactment of the Energy Security for  
6 American Consumers Act of 2000, and before Janu-  
7 ary 1, 2011,”,

8 (2) in paragraph (1)(B), by inserting before  
9 “and” at the end the following: “or placed in service  
10 after the date of the enactment of the Energy Secu-  
11 rity for American Consumers Act of 2000, and be-  
12 fore January 1, 2011,” and

13 (3) in paragraph (2), by striking “2003” and  
14 inserting “2013”.

15 (b) REDUCTION IN AMOUNT OF CREDIT BY 20 PER-  
16 CENT PER YEAR STARTING IN 2007.— Subsection (a) of  
17 section 29 of such Code is amended to read as follows:

18 “(a) ALLOWANCE OF CREDIT.—

19 “(1) IN GENERAL.—There shall be allowed as a  
20 credit against the tax imposed by this chapter for  
21 the taxable year an amount equal to—

22 “(A) the applicable amount, multiplied by

23 “(B) the barrel-of-oil equivalent of quali-  
24 fied fuels—

1 “(i) sold by the taxpayer to an unre-  
 2 lated person during the taxable year, and

3 “(ii) the production of which is attrib-  
 4 utable to the taxpayer.

5 “(2) APPLICABLE AMOUNT.—For purposes of  
 6 paragraph (1), the applicable amount is the amount  
 7 determined in accordance with the following table:

<b>“In the case of taxable years beginning in calendar year:</b>	<b>The applicable amount is:</b>
2001 to 2008 .....	\$3.00
2009 .....	\$2.60
2010 .....	\$2.00
2011 .....	\$1.40
2012 .....	\$0.80
2013 and thereafter .....	\$0.00.”

8 (c) CREDIT ALLOWED AGAINST BOTH REGULAR TAX  
 9 AND ALTERNATIVE MINIMUM TAX.—Paragraph (6) of  
 10 section 29(b) of such Code is amended to read as follows:

11 “(6) APPLICATION WITH OTHER CREDITS.—  
 12 The credit allowed by subsection (a) for any taxable  
 13 year shall not exceed the excess of—

14 “(A) the sum of the regular tax liability  
 15 (as defined in section 26(b)) plus the tax im-  
 16 posed by section 55, over

17 “(B) the sum of the credits allowable  
 18 under this part (other than subpart C and this  
 19 section) and under section 1397E.”

1 (d) QUALIFIED FUELS TO INCLUDE HEAVY OIL.—  
2 Subsection (c) of section 29 of such Code (defining quali-  
3 fied fuels) is amended—

4 (1) in paragraph (1), by striking “and” at the  
5 end of subparagraph (B), by striking the period at  
6 the end of subparagraph (C) and inserting “, and”,  
7 and by adding at the end the following new subpara-  
8 graph:

9 “(D) heavy oil, as defined in section  
10 613A(e)(6)(7).”, and

11 (2) by adding at the end the following new  
12 paragraph:

13 “(4) SPECIAL RULE FOR HEAVY OIL.—Heavy  
14 oil shall be considered to be a qualified fuel only if  
15 it is produced from a well drilled, or in a facility  
16 placed in service, after the date of the enactment of  
17 the Energy Security for American Consumers Act of  
18 2000, and before January 1, 2011.”

19 (e) REPEAL OF SUPERSEDED SUBSECTION.—Sub-  
20 section (g) of section 29 of such Code is repealed.

21 (f) EFFECTIVE DATE.—The amendments made by  
22 this Act shall apply to taxable years beginning after De-  
23 cember 31, 2000.

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