

107TH CONGRESS
1ST SESSION

S. 188

To amend the Internal Revenue Code of 1986 to modify the tax credit for electricity produced from certain renewable resources.

IN THE SENATE OF THE UNITED STATES

JANUARY 25, 2001

Ms. COLLINS (for herself and Mrs. BOXER) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to modify the tax credit for electricity produced 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. MODIFICATIONS TO CREDIT FOR ELECTRICITY**

4 **PRODUCED FROM RENEWABLE RESOURCES.**

5 (a) QUALIFIED FACILITIES INCLUDE ALL BIOMASS
6 FACILITIES.—

7 (1) IN GENERAL.—Subparagraph (B) of section
8 45(c)(1) of the Internal Revenue Code of 1986 (re-
9 lating to credit for electricity produced from certain
10 renewable resources) is amended to read as follows:

1 “(B) biomass, and”.

2 (2) BIOMASS DEFINED.—Paragraph (2) of sec-
3 tion 45(c) of such Code is amended to read as fol-
4 lows:

5 “(2) BIOMASS.—The term ‘biomass’ means—

6 “(A) any organic material from a plant
7 which is planted exclusively for purposes of
8 being used at a qualified facility to produce
9 electricity, or

10 “(B) any solid, nonhazardous, cellulosic
11 waste material which is segregated from other
12 waste materials and which is derived from—

13 “(i) any of the following forest-related
14 resources: mill residues, precommercial
15 thinnings, slash, and brush, but not includ-
16 ing old-growth timber,

17 “(ii) urban sources, including waste
18 pallets, crates, and dunnage, manufac-
19 turing and construction wood wastes (other
20 than pressure-treated, chemically-treated,
21 or painted wood wastes), and landscape or
22 right-of-way tree trimmings, but not in-
23 cluding unsegregated municipal solid waste
24 (garbage) or paper which is commonly re-
25 cycled, or

1 “(iii) agriculture sources, including or-
2 chard tree crops, vineyard, grain, legumes,
3 sugar, and other crop by-products or resi-
4 dues.”.

5 (b) EXTENSION AND MODIFICATION OF PLACED IN
6 SERVICE RULES.—

7 (1) IN GENERAL.—Subparagraph (B) of section
8 45(c)(3) of the Internal Revenue Code of 1986 is
9 amended to read as follows:

10 “(B) BIOMASS FACILITIES.—In the case of
11 a facility using biomass to produce electricity,
12 the term ‘qualified facility’ means, with respect
13 to any month, any facility owned or leased by
14 the taxpayer which is originally placed in serv-
15 ice before July 1, 2001, if, for such month, bio-
16 mass comprises not less than 75 percent (on a
17 Btu basis) of the average monthly fuel input of
18 the facility for the taxable year which includes
19 such month.”.

20 (2) SPECIAL RULES.—Section 45(c)(3) of such
21 Code is amended by adding at the end the following:

22 “(D) SPECIAL RULES.—In the case of a
23 qualified facility described in subparagraph
24 (B)—

1 “(i) the 10-year period referred to in
2 subsection (a) shall be treated as beginning
3 not earlier than the date of the enactment
4 of this paragraph, and

5 “(ii) subsection (b)(3) shall not apply
6 to any such facility originally placed in
7 service before January 1, 1997.”.

8 (c) EFFECTIVE DATE.—The amendments made by
9 this section shall apply to electricity produced after the
10 date of the enactment of this Act.

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