

108TH CONGRESS  
1ST SESSION

# S. 357

To amend the Internal Revenue Code of 1986 to modify the credit for the production of fuel from nonconventional sources to include production of fuel from agricultural and animal waste.

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## IN THE SENATE OF THE UNITED STATES

FEBRUARY 11, 2003

Mrs. LINCOLN (for herself, Mr. HAGEL, Mr. KERRY, and Mr. SMITH) 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 modify the credit for the production of fuel from nonconventional sources to include production of fuel from agricultural and animal waste.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. MODIFICATION OF CREDIT FOR PRODUCTION**  
 2 **OF FUEL FROM NONCONVENTIONAL**  
 3 **SOURCES TO INCLUDE PRODUCTION OF**  
 4 **FUEL FROM AGRICULTURAL AND ANIMAL**  
 5 **WASTE.**

6 (a) IN GENERAL.—Section 29(c)(1) of the Internal  
 7 Revenue Code of 1986 (relating to definition of qualified  
 8 fuels) is amended—

9 (1) by striking “and” at the end of subpara-  
 10 graph (B)(ii),

11 (2) by striking the period at the end of sub-  
 12 paragraph (C) and inserting “, and”, and

13 (3) by adding at the end the following new sub-  
 14 paragraph:

15 “(D) liquid, gaseous, or solid fuels from  
 16 qualified agricultural and animal waste, includ-  
 17 ing such fuels when used as feedstocks.”.

18 (b) **QUALIFIED AGRICULTURAL AND ANIMAL**  
 19 **WASTE.**—

20 (1) IN GENERAL.—Section 29(c) of the Internal  
 21 Revenue Code of 1986 is amended by adding at the  
 22 end the following new paragraph:

23 “(4) **QUALIFIED AGRICULTURAL AND ANIMAL**  
 24 **WASTE.**—The term ‘qualified agricultural and ani-  
 25 mal waste’ means agriculture and animal waste, in-  
 26 cluding by-products, packaging, and any materials

1 associated with the processing, feeding, selling,  
 2 transporting, or disposal of agricultural or animal  
 3 products or wastes, including wood shavings, straw,  
 4 rice hulls, and other bedding for the disposition of  
 5 manure.”.

6 (2) CONFORMING AMENDMENT.—Section  
 7 29(c)(3) of such Code is amended—

8 (A) by striking “and” at the end of sub-  
 9 paragraph (A),

10 (B) by striking the period at the end of  
 11 subparagraph (B) and inserting “, and”, and

12 (C) by adding at the end the following new  
 13 subparagraph:

14 “(C) qualified agricultural and animal  
 15 waste.”.

16 (c) EXTENSION OF CREDIT.—Section 29(g) of the In-  
 17 ternal Revenue Code of 1986 (relating to extension for  
 18 certain facilities) is amended by adding at the end the fol-  
 19 lowing new paragraph:

20 “(3) FACILITIES PRODUCING FUELS FROM AG-  
 21 RICULTURAL AND ANIMAL WASTE.—In the case of  
 22 facility for producing qualified fuels described in  
 23 subsection (c)(1)(D)—

24 “(A) for purposes of subsection (f)(1)(B),  
 25 such facility shall be treated as being placed in

1 service before January 1, 1993, if such facility  
2 is placed in service after January 1, 2003, and  
3 before January 1, 2008, and

4 “(B) if such facility is originally placed in  
5 service after December 31, 1992, paragraph (2)  
6 of subsection (f) shall be applied with respect to  
7 such facility by substituting ‘January 1, 2018’  
8 for ‘January 1, 2003’.”.

9 (d) EFFECTIVE DATE.—The amendments made by  
10 this section shall apply to fuels sold after the date of the  
11 enactment of this Act.

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