

110TH CONGRESS
1ST SESSION

H. R. 2555

To amend the Internal Revenue Code of 1986 to extend the credit for electricity produced from certain renewable resources, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 24, 2007

Mrs. WILSON of New Mexico introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to extend the credit for electricity produced from certain renewable resources, 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 “Renewable Energy
5 Credit Extension Act of 2007”.

6 **SEC. 2. EXTENSION OF RENEWABLE ENERGY CREDIT.**

7 Section 45(d) of the Internal Revenue Code of 1986
8 (relating to qualified facilities) is amended by striking
9 “January 1, 2009” each place it appears and inserting
10 “January 1, 2014”.

1 **SEC. 3. TREATMENT OF PERSONS NOT ABLE TO USE EN-**
2 **TIRE CREDIT.**

3 (a) IN GENERAL.—Section 45(e) of the Internal Rev-
4 enue Code of 1986 (relating to definitions and special
5 rules) is amended by adding at the end the following new
6 paragraph:

7 “(12) TREATMENT OF PERSONS NOT ABLE TO
8 USE ENTIRE CREDIT.—

9 “(A) ALLOWANCE OF CREDIT.—

10 “(i) IN GENERAL.—Except as other-
11 wise provided in this subsection—

12 “(I) any credit allowable under
13 subsection (a) with respect to a quali-
14 fied facility owned by a person de-
15 scribed in clause (ii) may be trans-
16 ferred or used as provided in this
17 paragraph, and

18 “(II) the determination as to
19 whether the credit is allowable shall
20 be made without regard to the tax-ex-
21 empt status of the person.

22 “(ii) PERSONS DESCRIBED.—A person
23 is described in this clause if the person
24 is—

1 “(I) an organization described in
2 section 501(c)(12)(C) and exempt
3 from tax under section 501(a),

4 “(II) an organization described
5 in section 1381(a)(2)(C),

6 “(III) a public utility (as defined
7 in section 136(c)(2)(B)), which is ex-
8 empt from income tax under this sub-
9 title,

10 “(IV) any State or political sub-
11 division thereof, the District of Co-
12 lumbia, any possession of the United
13 States, or any agency or instrumen-
14 tality of any of the foregoing, or

15 “(V) any Indian tribal govern-
16 ment (within the meaning of section
17 7871) or any agency or instrumen-
18 tality thereof.

19 “(B) TRANSFER OF CREDIT.—

20 “(i) IN GENERAL.—A person de-
21 scribed in subparagraph (A)(ii) may trans-
22 fer any credit to which subparagraph
23 (A)(i) applies through an assignment to
24 any other person not described in subpara-
25 graph (A)(ii). Such transfer may be re-

1 voked only with the consent of the Sec-
2 retary.

3 “(ii) REGULATIONS.—The Secretary
4 shall prescribe such regulations as nec-
5 essary to ensure that any credit described
6 in clause (i) is assigned once and not reas-
7 signed by such other person.

8 “(iii) TRANSFER PROCEEDS TREATED
9 AS ARISING FROM ESSENTIAL GOVERN-
10 MENT FUNCTION.—Any proceeds derived
11 by a person described in subclause (III),
12 (IV), or (V) of subparagraph (A)(ii) from
13 the transfer of any credit under clause (i)
14 shall be treated as arising from the exer-
15 cise of an essential government function.

16 “(C) CREDIT NOT INCOME.—Any transfer
17 under subparagraph (B) of any credit to which
18 subparagraph (A)(i) applies shall not be treated
19 as income for purposes of section 501(c)(12).

20 “(D) TREATMENT OF UNRELATED PER-
21 SONS.—For purposes of subsection (a)(2)(B),
22 sales of electricity among and between persons
23 described in subparagraph (A)(ii) shall be treat-
24 ed as sales between unrelated parties.”.

1 (b) **EFFECTIVE DATE.**—The amendment made by
2 this section shall apply to electricity produced and sold
3 after the date of the enactment of this Act, in taxable
4 years ending after such date.

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