

111TH CONGRESS
1ST SESSION

H. R. 3235

To amend the Internal Revenue Code of 1986 to allow a credit against income tax for the use of ethanol in tetra ethyl ortho silicate (TEOS) production.

IN THE HOUSE OF REPRESENTATIVES

JULY 16, 2009

Mr. SCHAUER 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 allow a credit against income tax for the use of ethanol in tetra ethyl ortho silicate (TEOS) production.

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 “American Commercial
5 Ethanol Fairness Act of 2009”.

6 **SEC. 2. CREDIT FOR USE OF ETHANOL IN TEOS PRODUC-**
7 **TION.**

8 (a) IN GENERAL.—Subsection (a) of section 40 of the
9 Internal Revenue Code of 1986 (relating to alcohol used

1 as fuel) is amended by striking the period at the end of
 2 paragraph (4) and inserting “, plus” and by adding after
 3 paragraph (4) the following new paragraph:

4 “(5) the ethanol in TEOS production credit.”.

5 (b) ETHANOL IN TEOS PRODUCTION CREDIT.—Sub-
 6 section (b) of section 40 of such Code (defining alcohol
 7 mixture credit, alcohol credit, and small ethanol producer
 8 credit) is amended by adding at the end the following new
 9 paragraph:

10 “(7) ETHANOL IN TEOS PRODUCTION CRED-
 11 IT.—

12 “(A) IN GENERAL.—The ethanol in TEOS
 13 production credit for any taxable year is 45
 14 cents for each gallon of alcohol which is ethanol
 15 that is used by the taxpayer in the production
 16 of tetra ethyl ortho silicate (TEOS) which is
 17 sold by the taxpayer producing such chemical to
 18 any person during such taxable year.

19 “(B) SALE MUST BE IN TRADE OR BUSI-
 20 NESS, ETC.—Alcohol used in the production of
 21 tetra ethyl ortho silicate (TEOS) shall be taken
 22 into account—

23 “(i) only if such tetra ethyl ortho sili-
 24 cate (TEOS) is manufactured in the
 25 United States,

1 “(ii) only if the sale described in sub-
2 paragraph (A) is in a trade or business of
3 the taxpayer, and

4 “(iii) for the taxable year in which
5 such sale occurs.

6 “(C) SMALL CREDIT FOR LOWER PROOF
7 ETHANOL.—In the case of any alcohol with a
8 proof which is at least 150 but less than 190,
9 subparagraph (A) shall be applied by sub-
10 stituting ‘33.33 cents’ for ‘45 cents’.

11 “(D) DENIAL OF DOUBLE BENEFIT.—In
12 determining the amount of the credit described
13 in this paragraph, a taxpayer shall not take
14 into account any amount of alcohol that is
15 taken into account in determining the amount
16 of a credit described in paragraph (1), (2), (4),
17 or (6).”.

18 (c) CONFORMING AMENDMENTS.—

19 (1) Section 40(d)(3)(A)(i) of such Code is
20 amended by inserting “other than the ethanol in
21 TEOS production credit described in subsection
22 (b)(7)” after “any credit”, and

23 (2) Section 40(d)(3)(B)(i) of such Code is
24 amended by inserting “other than the ethanol in

1 TEOS production credit described in subsection
2 (b)(7)” after “any credit”.

3 (3) The heading for section 40(b) of such Code
4 is amended by striking “AND SMALL ETHANOL PRO-
5 DUCER CREDIT” and inserting “SMALL ETHANOL
6 PRODUCER CREDIT, AND ETHANOL IN TEOS PRO-
7 DUCTION CREDIT”.

8 (d) EFFECTIVE DATE.—The amendments made by
9 this section shall apply to tetra ethyl ortho silicate
10 (TEOS) sold in taxable years beginning after December
11 31, 2008.

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