

108TH CONGRESS
1ST SESSION

H. R. 1332

To amend the Internal Revenue Code of 1986 to allow for an energy efficient appliance credit.

IN THE HOUSE OF REPRESENTATIVES

MARCH 18, 2003

Mr. NUSSLE (for himself, Mr. TANNER, Mr. LEACH, Mr. KING of Iowa, Mr. LATHAM, Mr. BOSWELL, Mr. GILLMOR, Mr. OXLEY, Mr. ROGERS of Michigan, Mr. SULLIVAN, Mr. LEVIN, and Mr. MARIO DIAZ-BALART of Florida) 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 for an energy efficient appliance credit.

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. CREDIT FOR ENERGY EFFICIENT APPLIANCES.**

4 (a) IN GENERAL.—Subpart D of part IV of sub-
5 chapter A of chapter 1 of the Internal Revenue Code of
6 1986 (relating to business-related credits) is amended by
7 adding at the end the following new section:

1 **“SEC. 45G. ENERGY EFFICIENT APPLIANCE CREDIT.**

2 “(a) GENERAL RULE.—For purposes of section 38,
3 the energy efficient appliance credit determined under this
4 section for the taxable year is an amount equal to the ap-
5 plicable amount determined under subsection (b) with re-
6 spect to the eligible production of qualified energy efficient
7 appliances produced by the taxpayer during the calendar
8 year ending with or within the taxable year.

9 “(b) APPLICABLE AMOUNT; ELIGIBLE PRODUC-
10 TION.—For purposes of subsection (a)—

11 “(1) APPLICABLE AMOUNT.—The applicable
12 amount is—

13 “(A) \$50, in the case of—

14 “(i) a clothes washer which is pro-
15 duced in 2003 with at least a 1.26 MEF
16 (at least 1.42 MEF for washers produced
17 after 2003 but not after 2006), or

18 “(ii) a refrigerator produced in 2003
19 which consumes at least 10 percent less
20 kWh per year than the energy conservation
21 standards for refrigerators promulgated by
22 the Department of Energy effective July 1,
23 2001,

24 “(B) \$100, in the case of—

25 “(i) a clothes washer which is pro-
26 duced in 2003 with at least a 1.42 MEF

1 (at least 1.5 MEF for washers produced
2 after 2003 and before 2008), or

3 “(ii) a refrigerator produced after
4 2002 and before 2007 which consumes at
5 least 15 percent less kWh per year (at
6 least 20 percent less kWh per year for re-
7 frigerators produced in 2007) than such
8 energy conservation standards, and

9 “(C) \$150, in the case of a refrigerator
10 which consumes at least 20 percent less kWh
11 per year than such energy conservation stand-
12 ards and is produced after 2002 and before
13 2007.

14 “(2) ELIGIBLE PRODUCTION.—

15 “(A) IN GENERAL.—The eligible produc-
16 tion of each category of qualified energy effi-
17 cient appliances is the excess of—

18 “(i) the number of appliances in such
19 category which are produced by the tax-
20 payer during such calendar year, over

21 “(ii) the average number of appliances
22 in such category which were produced by
23 the taxpayer during calendar years 2000,
24 2001, and 2002.

1 “(B) CATEGORIES.—For purposes of sub-
2 paragraph (A), the categories are—

3 “(i) clothes washers described in para-
4 graph (1)(A)(i),

5 “(ii) clothes washers described in
6 paragraph (1)(B)(i),

7 “(iii) refrigerators described in para-
8 graph (1)(A)(ii),

9 “(iv) refrigerators described in para-
10 graph (1)(B)(ii), and

11 “(v) refrigerators described in para-
12 graph (1)(C).

13 “(C) SPECIAL RULE FOR 2003 PRODUC-
14 TION.—For purposes of determining eligible
15 production for calendar year 2003—

16 “(i) only production after the date of
17 enactment of this section shall be taken
18 into account under subparagraph (A)(i),
19 and

20 “(ii) the amount taken into account
21 under subparagraph (A)(ii) shall be an
22 amount which bears the same ratio to the
23 amount which would (but for this subpara-
24 graph) be taken into account under sub-
25 paragraph (A)(ii) as—

1 “(I) the number of days in cal-
2 endar year 2003 after the date of en-
3 actment of this section, bears to

4 “(II) 365.

5 “(c) LIMITATION ON MAXIMUM CREDIT.—

6 “(1) IN GENERAL.—The maximum amount of
7 credit allowed under subsection (a) with respect to
8 a taxpayer for all taxable years shall be \$60,000,000
9 except that not more than \$30,000,000 shall be al-
10 lowed for production of any combination of clothes
11 washers produced with a 1.26 MEF (described in
12 subsection (b)(1)(A)(i)) and refrigerators described
13 in subsection (b)(1)(A)(ii).

14 “(2) LIMITATION BASED ON GROSS RE-
15 CEIPTS.—The credit allowed under subsection (a)
16 with respect to a taxpayer for the taxable year shall
17 not exceed an amount equal to 2 percent of the aver-
18 age annual gross receipts of the taxpayer for the 3
19 taxable years preceding the taxable year in which
20 the credit is determined.

21 “(3) GROSS RECEIPTS.—For purposes of this
22 subsection, the rules of paragraphs (2) and (3) of
23 section 448(c) shall apply.

24 “(d) DEFINITIONS.—For purposes of this section—

1 “(1) QUALIFIED ENERGY EFFICIENT APPLI-
2 ANCE.—The term ‘qualified energy efficient appli-
3 ance’ means—

4 “(A) a clothes washer described in sub-
5 paragraph (A)(i) or (B)(i) of subsection (b)(1),
6 or

7 “(B) a refrigerator described in subpara-
8 graph (A)(ii), (B)(ii) or (C) of subsection
9 (b)(1).

10 “(2) CLOTHES WASHER.—The term ‘clothes
11 washer’ means a residential clothes washer, includ-
12 ing a residential style coin operated washer.

13 “(3) REFRIGERATOR.—The term ‘refrigerator’
14 means an automatic defrost refrigerator-freezer
15 which has an internal volume of at least 16.5 cubic
16 feet.

17 “(4) MEF.—The term ‘MEF’ means Modified
18 Energy Factor (as determined by the Secretary of
19 Energy).

20 “(e) SPECIAL RULES.—

21 “(1) IN GENERAL.—Rules similar to the rules
22 of subsections (c), (d), and (e) of section 52 shall
23 apply for purposes of this section.

24 “(2) AGGREGATION RULES.—All persons treat-
25 ed as a single employer under subsection (a) or (b)

1 of section 52 or subsection (m) or (o) of section 414
2 shall be treated as 1 person for purposes of sub-
3 section (a).

4 “(f) VERIFICATION.—The taxpayer shall submit such
5 information or certification as the Secretary, in consulta-
6 tion with the Secretary of Energy, determines necessary
7 to claim the credit amount under subsection (a).”.

8 (b) LIMITATION ON CARRYBACK.—Section 39(d) of
9 the Internal Revenue Code of 1986 (relating to transition
10 rules) is amended by adding at the end the following new
11 paragraph:

12 “(11) NO CARRYBACK OF ENERGY EFFICIENT
13 APPLIANCE CREDIT BEFORE EFFECTIVE DATE.—No
14 portion of the unused business credit for any taxable
15 year which is attributable to the energy efficient ap-
16 pliance credit determined under section 45G may be
17 carried to a taxable year ending before January 1,
18 2003.”.

19 (c) CONFORMING AMENDMENT.—Section 38(b) of
20 the Internal Revenue Code of 1986 (relating to general
21 business credit) is amended by striking “plus” at the end
22 of paragraph (14), by striking the period at the end of
23 paragraph (15) and inserting “, plus”, and by adding at
24 the end the following new paragraph:

1 “(16) the energy efficient appliance credit de-
2 termined under section 45G(a).”.

3 (d) CLERICAL AMENDMENT.—The table of sections
4 for subpart D of part IV of subchapter A of chapter 1
5 of the Internal Revenue Code of 1986 is amended by add-
6 ing at the end the following new item:

 “Sec. 45G. Energy efficient appliance credit.”.

7 (e) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to appliances produced after De-
9 cember 31, 2002, in taxable years ending after such date.

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