

108TH CONGRESS  
2D SESSION

# H. R. 4704

To amend the Internal Revenue Code of 1986 to establish tax credits for climate neutral combustion technologies.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 24, 2004

Mr. OSE (for himself, Mr. DOOLITTLE, Mr. CARSON of Oklahoma, and Mr. DOOLEY of California) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to establish tax credits for climate neutral combustion technologies.

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. EXPANSION OF RENEWABLE RESOURCE CRED-**

4 **IT TO INCLUDE CLIMATE NEUTRAL COMBUS-**

5 **TION PROCESSES.**

6 (a) IN GENERAL.—Section 45(c)(1) of the Internal  
7 Revenue Code of 1986 (relating to qualified energy re-  
8 sources) is amended by striking “and” at the end of sub-  
9 paragraph (B), by striking the period at the end of sub-

1 paragraph (C) and inserting “, and”, and by adding at  
2 the end the following:

3 “(D) resources used to produce climate  
4 neutral combustion.”.

5 (b) CLIMATE NEUTRAL COMBUSTION DEFINED.—  
6 Section 45(c) of such Code (relating to definitions) is  
7 amended by adding at the end the following:

8 “(5) CLIMATE NEUTRAL COMBUSTION.—

9 “(A) IN GENERAL.—The term ‘climate  
10 neutral combustion’ means a combustion system  
11 to generate electricity, wherein the combustion  
12 is fueled by biomass or fossil energy carriers,  
13 where the carbon dioxide, which is released dur-  
14 ing the combustion process, is captured and ap-  
15 plied to a useful purpose, or stored in the  
16 Earth’s subsurface by sequestration, and from  
17 which there are no atmospheric emissions of  
18 mercury or greenhouse gases, nor emissions  
19 that form fine particles, smog, or acid rain.

20 “(B) BIOMASS.—For purposes of subpara-  
21 graph (A), the term ‘biomass’ means—

22 “(i) any portion of a crop containing  
23 cellulose, including rice or other grain hulls  
24 or straws, seeds or pits of fruits, nut hulls,

1 orchard residue, tree trimmings, soybean  
2 matter, sugarcane or grape bagasse, and  
3 “(ii) agricultural wastes (other than  
4 wastes described in clause (i)), including  
5 chicken, cattle, pig, or other livestock  
6 waste.

7 “(C) FOSSIL ENERGY CARRIERS.—For  
8 purposes of subparagraph (A), the term ‘fossil  
9 energy carrier’ means—

10 “(i) a fossil fuel, such as coal, lignite,  
11 petroleum, natural gas, including petcoke,  
12 and

13 “(ii) refined or gasified forms of such  
14 fossil fuels.”.

15 (c) QUALIFIED FACILITY.—Section 45(c)(3) of such  
16 Code (defining qualified facility) is amended by adding at  
17 the end the following:

18 “(D) CLIMATE NEUTRAL COMBUSTION FA-  
19 CILITY.—In the case of a facility using a cli-  
20 mate neutral combustion process to produce  
21 electricity, the term ‘qualified facility’ means  
22 any facility owned by the taxpayer which is  
23 originally placed in service after December 31,  
24 2004.”.

1       (d) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to taxable years beginning after  
3 December 31, 2004.

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