

108TH CONGRESS
1ST SESSION

S. 494

To amend the Internal Revenue Code of 1986 to include agricultural and animal waste sources as a renewable energy resource.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 27, 2003

Mr. CRAPO introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to include agricultural and animal waste sources as a renewable energy resource.

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. MODIFICATIONS TO CREDIT FOR ELECTRICITY**
4 **PRODUCED FROM RENEWABLE RESOURCES**
5 **AND EXTENSION TO WASTE ENERGY.**

6 (a) EXPANSION OF QUALIFIED ENERGY RE-
7 SOURCES.—

8 (1) IN GENERAL.—Section 45(c)(1) of the In-
9 ternal Revenue Code of 1986 (defining qualified en-

1 ergy resources) is amended by striking subparagraph
2 (C) and inserting the following:

3 “(C) agricultural and animal waste
4 sources.”.

5 (2) DEFINITIONS.—Section 45(e) of such Code
6 (relating to definitions) is amended by adding at the
7 end the following new paragraph:

8 “(5) AGRICULTURAL AND ANIMAL WASTE
9 SOURCES.—The term ‘agricultural and animal waste
10 sources’ means all waste heat, steam, and fuels pro-
11 duced from the conversion of agricultural and ani-
12 mal wastes, including by-products, packaging, and
13 any materials associated with the processing, feed-
14 ing, selling, transporting, and disposal of agricul-
15 tural and animal products or wastes (such as wood
16 shavings, straw, rice hulls, and other bedding mate-
17 rial for the disposition of manure).”.

18 (b) EXTENSION AND MODIFICATION OF PLACED-IN-
19 SERVICE RULES.—Section 45(e)(3) of the Internal Rev-
20 enue Code of 1986 (defining qualified facility) is amended
21 by striking subparagraph (C) and inserting the following:

22 “(C) AGRICULTURAL AND ANIMAL WASTE
23 FACILITY.—In the case of a facility using agri-
24 cultural and animal waste to produce electricity,
25 the term “qualified facility” means any facility

1 of the taxpayer which is originally placed in
2 service—

3 “(i) in the case of a facility using
4 poultry waste, after December 31, 1999,
5 and before January 1, 2007, and

6 “(ii) in the case of any other facility,
7 after the date of the enactment of this sub-
8 paragraph and before January 1, 2007.

9 “(D) COMBINED PRODUCTION FACILITIES
10 INCLUDED.—For purposes of this paragraph,
11 the term ‘qualified facility’ shall include a facil-
12 ity using agricultural and animal waste to
13 produce electricity and other biobased products
14 such as chemicals and fuels from renewable re-
15 sources.

16 “(E) SPECIAL RULES.—In the case of a
17 qualified facility described in subparagraph
18 (C)—

19 “(i) the 10-year period referred to in
20 subsection (a) shall be treated as beginning
21 no earlier than the date of the enactment
22 of this subparagraph, and

23 “(ii) subsection (b)(3) shall not apply
24 to any such facility originally placed in
25 service before January 1, 1997.”.

1 (c) CONFORMING AMENDMENTS.—

2 (1) The heading for section 45 of the Internal
3 Revenue Code of 1986 is amended by inserting
4 “**AND WASTE ENERGY**” after “**RENEWABLE**”.

5 (2) The item relating to section 45 in the table
6 of sections subpart D of part IV of subchapter A of
7 chapter 1 of such Code is amended by inserting
8 “and waste energy” after “renewable”.

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

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