

109TH CONGRESS
1ST SESSION

H. R. 4026

To amend the Internal Revenue Code of 1986 to allow nonrefundable credits against income tax for certain gasoline, diesel fuel, and home energy consumption expenses, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 7, 2005

Mr. CROWLEY (for himself, Mr. ISRAEL, Mr. GRIJALVA, Ms. WASSERMAN SCHULTZ, and Mr. DAVIS of Illinois) 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 non-refundable credits against income tax for certain gasoline, diesel fuel, and home energy consumption expenses, 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 “Middle Class Energy
5 Initiative Act of 2005”.

1 **SEC. 2. CREDITS FOR CERTAIN GASOLINE, DIESEL FUEL,**
 2 **NATURAL GAS, KEROSENE, AND OIL EX-**
 3 **PENSES.**

4 (a) IN GENERAL.—Subpart A of part IV of sub-
 5 chapter A of chapter 1 of the Internal Revenue Code of
 6 1986 (relating to nonrefundable personal credits) is
 7 amended by adding after section 25D the following new
 8 sections:

9 **“SEC. 25E. CREDIT FOR QUALIFIED GASOLINE AND DIESEL**
 10 **FUEL EXPENSES.**

11 “(a) ALLOWANCE OF CREDIT.—In the case of an in-
 12 dividual, there shall be allowed as a credit against the tax
 13 imposed by this chapter for the taxable year an amount
 14 equal to the aggregate qualified gasoline and diesel fuel
 15 expenses paid or incurred by the individual during such
 16 taxable year.

17 “(b) LIMITATIONS.—

18 “(1) DOLLAR AMOUNT.—The credit allowed
 19 under subsection (a) for a taxable year shall not ex-
 20 ceed \$500.

21 “(2) ADJUSTED GROSS INCOME.—If the ad-
 22 justed gross income of the individual exceeds the
 23 amount that is twice the median adjusted gross in-
 24 come of taxpayers residing in the State in which
 25 such individual resides, the credit allowed under sub-
 26 section (a) for a taxable year shall be zero.

9 “(c) QUALIFIED GASOLINE AND DIESEL FUEL EX-
10 PENSES.—For purposes of this section, the term ‘qualified
11 gasoline and diesel fuel expenses’ means amounts paid or
12 incurred by the individual for gasoline (as defined by sec-
13 tion 4083(a)(2)) and diesel fuel (as defined by section
14 4083(a)(3)).

15 "SEC. 25F. CREDIT FOR QUALIFIED HOME ENERGY CON-
16 SUMPTION EXPENSES.

17 “(a) ALLOWANCE OF CREDIT.—In the case of an in-
18 dividual, there shall be allowed as a credit against the tax
19 imposed by this chapter for the taxable year an amount
20 equal to the aggregate qualified home energy consumption
21 expenses paid or incurred by the individual during such
22 taxable year.

23 “(b) LIMITATIONS.—

1 “(1) DOLLAR AMOUNT.—The credit allowed
2 under subsection (a) for a taxable year shall not ex-
3 ceed \$500.

4 “(2) ADJUSTED GROSS INCOME.—If the ad-
5 justed gross income of the individual exceeds the
6 amount that is twice the median adjusted gross in-
7 come of taxpayers residing in the State in which
8 such individual resides, the credit allowed under sub-
9 section (a) for a taxable year shall be zero.

10 “(c) QUALIFIED HOME ENERGY CONSUMPTION EX-
11 PENSES.—For purposes of this section, the term ‘qualified
12 home energy consumption expenses’ means amounts paid
13 or incurred by an individual for natural gas, kerosene, and
14 oil for home energy consumption.”.

15 (b) CLERICAL AMENDMENT.—The table of sections
16 for subpart A of such part IV is amended by inserting
17 after the item relating to section 25D the following new
18 items:

“Sec. 25E. Credit for qualified gasoline and diesel fuel expenses.

“Sec. 25F. Credit for qualified home energy consumption expenses.”.

19 (c) EFFECTIVE DATE.—The amendments made by
20 this section shall apply to taxable years beginning after
21 December 31, 2005.

1 **SEC. 3. AMORTIZATION OF GEOLOGICAL AND GEO-**
2 **PHYSICAL EXPENDITURES.**

3 (a) IN GENERAL.—Paragraph (1) of section 167(h)
4 of the Internal Revenue Code of 1986 (as amended by sec-
5 tion 1329 of the Energy Tax Incentives Act of 2005) is
6 amended by striking “Any geological and geophysical ex-
7 penses” and inserting “An amount equal to 90 percent
8 of any geological and geophysical expenses”.

9 (b) EFFECTIVE DATE.—The amendment made by
10 this section shall apply to taxable years beginning after
11 December 31, 2005.

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