

110TH CONGRESS
1ST SESSION

H. R. 2305

To amend the Internal Revenue Code of 1986 to provide a five-year applicable recovery period for depreciation of qualified energy management devices.

IN THE HOUSE OF REPRESENTATIVES

MAY 14, 2007

Mr. NUNES (for himself and Mr. THOMPSON of California) 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 provide a five-year applicable recovery period for depreciation of qualified energy management devices.

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 “Energy Conservation
5 through ‘Smart Meters’ Act of 2007”.

6 **SEC. 2. FIVE-YEAR APPLICABLE RECOVERY PERIOD FOR**
7 **DEPRECIATION OF QUALIFIED ENERGY MAN-**
8 **AGEMENT DEVICES.**

9 (a) IN GENERAL.—Section 168(e)(3)(B) of the Inter-
10 nal Revenue Code of 1986 (relating to 5-year property)

1 is amended by striking “and” at the end of clause (v),
2 by striking the period at the end of clause (vi) and insert-
3 ing “, and”, and by inserting after clause (vi) the following
4 new clause:

5 “(vii) any qualified energy manage-
6 ment device.”.

7 (b) DEFINITION OF QUALIFIED ENERGY MANAGE-
8 MENT DEVICE.—Section 168(i) of such Code (relating to
9 definitions and special rules) is amended by inserting at
10 the end the following new paragraph:

11 “(18) QUALIFIED ENERGY MANAGEMENT DE-
12 VICE.—

13 “(A) IN GENERAL.—The term ‘qualified
14 energy management device’ means any energy
15 management device which is placed in service
16 by a taxpayer who is a supplier of electric en-
17 ergy or a provider of electric energy services.

18 “(B) ENERGY MANAGEMENT DEVICE.—
19 For purposes of subparagraph (A), the term
20 ‘energy management device’ means any time-
21 based meter and related communication equip-
22 ment which is capable of being used by the tax-
23 payer as part of a system that—

24 “(i) measures and records electricity
25 usage data on a time-differentiated basis

1 in at least 24 separate time segments per
2 day,

3 “(ii) provides for the exchange of in-
4 formation between supplier or provider and
5 the customer’s energy management device
6 in support of time-based rates or other
7 forms of demand response, and

8 “(iii) provides data to such supplier or
9 provider so that the supplier or provider
10 can provide energy usage information to
11 customers electronically.”.

12 (c) EFFECTIVE DATE.—The amendments made by
13 this section shall apply to property placed in service in
14 taxable years ending after the date of the enactment of
15 this Act.

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