

110TH CONGRESS  
1ST SESSION

# H. R. 4612

To amend the Internal Revenue Code of 1986 to provide an investment credit for electric generation facilities with climate neutral combustion.

---

## IN THE HOUSE OF REPRESENTATIVES

DECEMBER 13, 2007

Mr. COSTA (for himself, Mr. MCCARTHY of California, and Mr. DANIEL E. LUNGREN 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 an investment credit for electric generation facilities with climate neutral combustion.

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 “Climate Neutral Elec-  
5 tricity Generation Act of 2007”.

6 **SEC. 2. CLIMATE NEUTRAL COMBUSTION CREDIT.**

7 (a) IN GENERAL.—Section 46 of the Internal Rev-  
8 enue Code of 1986 (relating to amount of credit) is  
9 amended by striking “and” at the end of paragraph (3),

1 by striking the period at the end of paragraph (4) and  
 2 inserting “, and”, and by adding at the end the following  
 3 new paragraph:

4 “(5) the climate neutral combustion credit.”.

5 (b) AMOUNT OF CREDIT.—Subpart E of part IV of  
 6 subchapter A of chapter 1 of such Code (relating to rules  
 7 for computing investment credit) is amended by inserting  
 8 after section 48B the following new section:

9 **“SEC. 48C. CLIMATE NEUTRAL COMBUSTION CREDIT.**

10 “(a) IN GENERAL.—For purposes of section 46, the  
 11 climate neutral combustion credit for any taxable year is  
 12 an amount equal to 20 percent of the qualified investment  
 13 for such taxable year.

14 “(b) QUALIFIED INVESTMENT.—

15 “(1) IN GENERAL.—For purposes of subsection  
 16 (a), the qualified investment for any taxable year is  
 17 the basis of any property placed in service by the  
 18 taxpayer during such taxable year which is part of  
 19 a climate neutral combustion facility—

20 “(A)(i) the construction, reconstruction, or  
 21 erection of which is completed by the taxpayer,  
 22 or

23 “(ii) which is acquired by the taxpayer if  
 24 the original use of such property commences  
 25 with the taxpayer, and

1 “(B) with respect to which depreciation (or  
2 amortization in lieu of depreciation) is allow-  
3 able.

4 “(2) SPECIAL RULE FOR CERTAIN SUBSIDIZED  
5 PROPERTY.—Rules similar to section 48(a)(4) shall  
6 apply for purposes of this section.

7 “(3) CERTAIN QUALIFIED PROGRESS EXPENDI-  
8 TURES RULES MADE APPLICABLE.—Rules similar to  
9 the rules of subsections (c)(4) and (d) of section 46  
10 (as in effect on the day before the enactment of the  
11 Revenue Reconciliation Act of 1990) shall apply for  
12 purposes of this section.

13 “(c) CLIMATE NEUTRAL COMBUSTION FACILITY.—  
14 For purposes of this section, the term ‘climate neutral  
15 combustion facility’ means any facility which—

16 “(1) burns matter to produce electricity,

17 “(2) captures the carbon dioxide released dur-  
18 ing combustion and uses such carbon dioxide to re-  
19 cover hydrocarbon fuel from below ground, and

20 “(3) produces no atmospheric emissions of mer-  
21 cury or greenhouse gasses and no emissions that  
22 form fine particulate, smog, or acid rain.

23 “(d) DENIAL OF DOUBLE BENEFIT.—A credit shall  
24 not be allowed under this section for any qualified invest-

1 ment for which a credit is allowed under section 48A or  
 2 48B.”.

3 (c) CONFORMING AMENDMENTS.—

4 (1) Section 49(a)(1)(C) of such Code is amend-  
 5 ed by striking “and” at the end of clause (iii), by  
 6 striking the period at the end of clause (iv) and in-  
 7 serting “, and”, and by adding at the end the fol-  
 8 lowing new clause:

9 “(v) the basis of any property which  
 10 is part of a qualifying climate neutral com-  
 11 bustion facility.”.

12 (2) The table of sections for subpart E of part  
 13 IV of subchapter A of chapter 1 of such Code is  
 14 amended by inserting after the item relating to sec-  
 15 tion 48B the following new item:

“Sec. 48C. Climate neutral combustion credit.”.

16 (d) EFFECTIVE DATE.—The amendments made by  
 17 this section shall apply to periods after the date of the  
 18 enactment of this Act, under rules similar to the rules of  
 19 section 48(m) of the Internal Revenue Code of 1986 (as  
 20 in effect on the day before the date of the enactment of  
 21 the Revenue Reconciliation Act of 1990).

○