

111TH CONGRESS
2D SESSION

H. R. 4967

To amend the Internal Revenue Code of 1986 to provide an exception to the arbitrage rules for prepayments for electricity generated from renewable resources.

IN THE HOUSE OF REPRESENTATIVES

MARCH 25, 2010

Ms. GIFFORDS (for herself, Mr. THOMPSON of California, Mrs. BONO MACK, Mr. GRIJALVA, Mr. LUJÁN, Mr. BLUMENAUER, and Mr. CARNAHAN) 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 exception to the arbitrage rules for prepayments for electricity generated from renewable resources.

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. EXCEPTION TO ARBITRAGE RULES FOR PRE-
4 PAYMENTS FOR ELECTRICITY GENERATED
5 FROM RENEWABLE RESOURCES.**

6 (a) IN GENERAL.—Section 148(b) of the Internal
7 Revenue Code of 1986 is amended by adding at the end
8 the following new paragraph:

1 “(5) EXCEPTION FOR PREPAID ELECTRICITY
2 GENERATED FROM RENEWABLE RESOURCES.—

3 “(A) IN GENERAL.—The term ‘investment-
4 type property’ does not include a prepayment
5 under a qualified renewable electricity contract.

6 “(B) QUALIFIED RENEWABLE ELECTRICITY CONTRACT.—For purposes of this
7 paragraph, the term ‘qualified renewable electricity contract’ means any contract to acquire
8 electricity if—

11 “(i) such electricity is used by the
12 State or political subdivision thereof with
13 respect to which the State or local bond is
14 issued, and

15 “(ii) in connection with such contract
16 the supplier of such electricity places in
17 service property which is capable of generating
18 from qualified energy resources (as
19 defined in section 45(c)) the amount of
20 electricity purchased under the contract
21 (and such property is not taken into account under this paragraph with respect to
22 any other contract).”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section shall apply to obligations issued after the date
3 of the enactment of this Act.

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