

113TH CONGRESS
2D SESSION

S. 2279

To amend the Internal Revenue Code of 1986 to terminate certain energy tax subsidies and lower the corporate income tax rate.

IN THE SENATE OF THE UNITED STATES

MAY 1, 2014

Mr. LEE 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 terminate certain energy tax subsidies and lower the corporate income tax rate.

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; REFERENCE TO 1986 CODE.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Energy Freedom and Economic Prosperity Act of 2014”.

6 (b) REFERENCE TO 1986 CODE.—Except as other-
7 wise expressly provided, whenever in this Act an amend-
8 ment or repeal is expressed in terms of an amendment
9 to, or repeal of, a section or other provision, the reference

1 shall be considered to be made to a section or other provi-
2 sion of the Internal Revenue Code of 1986.

3 **TITLE I—REPEAL OF ENERGY**
4 **TAX SUBSIDIES**

5 **SEC. 101. REPEAL OF CREDIT FOR ALCOHOL FUEL, BIO-**
6 **DIESEL, AND ALTERNATIVE FUEL MIXTURES.**

7 (a) IN GENERAL.—Section 6426 is repealed.

8 (b) CONFORMING AMENDMENTS.—

9 (1) Paragraph (1) of section 4101(a) is amend-
10 ed by striking “or alcohol (as defined in section
11 6426(b)(4)(A))”.

12 (2) Paragraph (2) of section 4104(a) is amend-
13 ed by striking “6426, or 6427(e)”.

14 (3) Section 6427 is amended by striking sub-
15 section (e).

16 (4) Subparagraph (E) of section 7704(d)(1) is
17 amended—

18 (A) by inserting “(as in effect on the day
19 before the date of the enactment of the Energy
20 Freedom and Economic Prosperity Act of
21 2014)” after “of section 6426”, and

22 (B) by inserting “(as so in effect)” after
23 “section 6426(b)(4)(A)”.

24 (5) Paragraph (1) of section 9503(b) is amend-
25 ed by striking the second sentence.

1 (c) CLERICAL AMENDMENT.—The table of sections
 2 for subchapter B of chapter 65 is amended by striking
 3 the item relating to section 6426.

4 (d) EFFECTIVE DATES.—

5 (1) IN GENERAL.—Except as provided in para-
 6 graph (2), the amendments made by this section
 7 shall apply with respect to fuel sold and used after
 8 the date of the enactment of this Act.

9 (2) LIQUEFIED HYDROGEN.—In the case of any
 10 alternative fuel or alternative fuel mixture (as de-
 11 fined in subsection (d)(2) or (e)(3) of section 6426
 12 of the Internal Revenue Code of 1986 as in effect
 13 before its repeal by this Act) involving liquefied hy-
 14 drogen, the amendments made by this section shall
 15 apply with respect to fuel sold and used after Sep-
 16 tember 30, 2014.

17 **SEC. 102. EARLY TERMINATION OF CREDIT FOR QUALIFIED**
 18 **FUEL CELL MOTOR VEHICLES.**

19 (a) IN GENERAL.—Section 30B is repealed.

20 (b) CONFORMING AMENDMENTS.—

21 (1) Subparagraph (A) of section 24(b)(3) is
 22 amended by striking “, 30B”.

23 (2) Paragraph (2) of section 25B(g) is amended
 24 by striking “, 30B,”.

1 (3) Subsection (b) of section 38 is amended by
2 striking paragraph (25).

3 (4) Subsection (a) of section 1016 is amended
4 by striking paragraph (35) and by redesignating
5 paragraphs (36) and (37) as paragraphs (35) and
6 (36), respectively.

7 (5) Subsection (m) of section 6501 is amended
8 by striking “, 30B(h)(9)”.

9 (c) CLERICAL AMENDMENT.—The table of sections
10 for subpart B of part IV of subchapter A of chapter 1
11 is amended by striking the item relating to section 30B.

12 (d) EFFECTIVE DATE.—The amendments made by
13 this section shall apply to property placed in service after
14 December 31, 2014.

15 **SEC. 103. EARLY TERMINATION OF NEW QUALIFIED PLUG-**
16 **IN ELECTRIC DRIVE MOTOR VEHICLES.**

17 (a) IN GENERAL.—Section 30D is repealed.

18 (b) EFFECTIVE DATE.—The amendment made by
19 this section shall apply to vehicles placed in service after
20 the date of the enactment of this Act.

21 **SEC. 104. REPEAL OF CREDIT FOR ALCOHOL USED AS**
22 **FUEL.**

23 (a) IN GENERAL.—Section 40 is repealed.

24 (b) CONFORMING AMENDMENTS.—

1 (1) Subsection (b) of section 38 is amended by
2 striking paragraph (3).

3 (2) Subsection (c) of section 196 is amended by
4 striking paragraph (3) and by redesignating para-
5 graphs (4) through (14) as paragraphs (3) through
6 (13), respectively.

7 (3) Paragraph (1) of section 4101(a) is amend-
8 ed by striking “, and every person producing cellu-
9 losic biofuel (as defined in section 40(b)(6)(E))”.

10 (4) Paragraph (1) of section 4104(a) is amend-
11 ed by striking “, 40”.

12 (c) EFFECTIVE DATE.—The amendments made by
13 this section shall apply to fuel sold or used after the date
14 of the enactment of this Act.

15 **SEC. 105. REPEAL OF ENHANCED OIL RECOVERY CREDIT.**

16 (a) IN GENERAL.—Section 43 is repealed.

17 (b) CONFORMING AMENDMENTS.—

18 (1) Subsection (b) of section 38 is amended by
19 striking paragraph (6).

20 (2) Paragraph (4) of section 45Q(d) is amended
21 by inserting “(as in effect on the day before the date
22 of the enactment of the Energy Freedom and Eco-
23 nomic Prosperity Act of 2014)” after “section
24 43(c)(2)”.

1 (3) Subsection (c) of section 196, as amended
2 by sections 105 and 106 of this Act, is amended by
3 striking paragraph (5) and by redesignating para-
4 graphs (6) through (12) as paragraphs (5) through
5 (11), respectively.

6 (c) CLERICAL AMENDMENT.—The table of sections
7 for subpart D of part IV of subchapter A of chapter 1
8 is amended by striking the item relating to section 43.

9 (d) EFFECTIVE DATE.—The amendments made by
10 this section shall apply to costs paid or incurred after De-
11 cember 31, 2014.

12 **SEC. 106. REPEAL OF CREDIT FOR PRODUCING OIL AND**
13 **GAS FROM MARGINAL WELLS.**

14 (a) IN GENERAL.—Section 45I is repealed.

15 (b) CONFORMING AMENDMENT.—Subsection (b) of
16 section 38 is amended by striking paragraph (19).

17 (c) CLERICAL AMENDMENT.—The table of sections
18 for subpart D of part IV of subchapter A of chapter 1
19 is amended by striking the item relating to section 45I.

20 (d) EFFECTIVE DATE.—The amendments made by
21 this section shall apply to production in taxable years be-
22 ginning after December 31, 2014.

1 **SEC. 107. TERMINATION OF CREDIT FOR PRODUCTION**
2 **FROM ADVANCED NUCLEAR POWER FACILI-**
3 **TIES.**

4 (a) IN GENERAL.—Subparagraph (B) of section
5 45J(d)(1) is amended by striking “January 1, 2021” and
6 inserting “January 1, 2015”.

7 (b) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to property placed in service after
9 December 31, 2014.

10 **SEC. 108. REPEAL OF CREDIT FOR CARBON DIOXIDE SE-**
11 **QUESTRATION.**

12 (a) IN GENERAL.—Section 45Q is repealed.

13 (b) EFFECTIVE DATE.—The amendment made by
14 this section shall apply to carbon dioxide captured after
15 December 31, 2014.

16 **SEC. 109. TERMINATION OF ENERGY CREDIT.**

17 (a) IN GENERAL.—Section 48 is amended by adding
18 at the end the following new subsection:

19 “(e) TERMINATION.—No credit shall be allowed
20 under subsection (a) for any period after December 31,
21 2014.”.

22 (b) EFFECTIVE DATE.—The amendments made by
23 this section shall apply to property placed in service after
24 December 31, 2014.

1 **SEC. 110. REPEAL OF QUALIFYING ADVANCED COAL**
2 **PROJECT.**

3 (a) IN GENERAL.—Section 48A is repealed.

4 (b) CONFORMING AMENDMENT.—Section 46 is
5 amended by striking paragraph (3) and by redesignating
6 paragraphs (4), (5), and (6) as paragraphs (3), (4), and
7 (5), respectively.

8 (c) CLERICAL AMENDMENT.—The table of sections
9 for subpart E of part IV of subchapter A of chapter 1
10 is amended by striking the item relating to section 48A.

11 (d) EFFECTIVE DATE.—The amendments made by
12 this section shall apply to property placed in service after
13 December 31, 2014.

14 **SEC. 111. REPEAL OF QUALIFYING GASIFICATION PROJECT**
15 **CREDIT.**

16 (a) IN GENERAL.—Section 48B is repealed.

17 (b) CONFORMING AMENDMENT.—Section 46, as
18 amended by this Act, is amended by striking paragraph
19 (3) and by redesignating paragraphs (4) and (5) as para-
20 graphs (3) and (4), respectively.

21 (c) CLERICAL AMENDMENT.—The table of sections
22 for subpart E of part IV of subchapter A of chapter 1
23 is amended by striking the item relating to section 48B.

24 (d) EFFECTIVE DATE.—The amendments made by
25 this section shall apply to property placed in service after
26 December 31, 2014.

1 **SEC. 112. REPEAL OF QUALIFYING ADVANCED ENERGY**
2 **PROJECT CREDIT.**

3 (a) IN GENERAL.—Section 48C is repealed.

4 (b) CONFORMING AMENDMENT.—Section 46, as
5 amended by this Act, is amended by striking paragraph
6 (3) and by redesignating paragraph (4) as paragraph (3).

7 (c) CLERICAL AMENDMENT.—The table of sections
8 for subpart E of part IV of subchapter A of chapter 1
9 is amended by striking the item relating to section 48C.

10 (d) EFFECTIVE DATE.—The amendments made by
11 this section shall apply to property placed in service after
12 December 31, 2014.

13 **TITLE II—REDUCTION OF**
14 **CORPORATE INCOME TAX RATE**

15 **SEC. 121. CORPORATE INCOME TAX RATE REDUCED.**

16 (a) IN GENERAL.—Not later than 1 year after the
17 date of the enactment of this Act, the Secretary of the
18 Treasury shall prescribe, in lieu of the rates of tax under
19 paragraphs (1) and (2) of section 11(b), section 1201(a),
20 and paragraphs (1), (2), and (6) of section 1445(e) of the
21 Internal Revenue Code of 1986, such rates of tax as the
22 Secretary estimates would result in—

23 (1) a decrease in revenue to the Treasury for
24 taxable years beginning during the 10-year period
25 beginning on the date of the enactment of this Act,
26 equal to

1 (2) the increase in revenue for such taxable
2 years by reason of the amendments made by title I
3 of this Act.

4 (b) MAINTENANCE OF GRADUATED RATES.—In pre-
5 scribing the tax rates under subsection (a), the Secretary
6 shall ensure that each rate modified under such subsection
7 is reduced by a uniform percentage.

8 (c) EFFECTIVE DATE.—The rates prescribed by the
9 Secretary under subsection (a) shall apply to taxable years
10 beginning more than 1 year after the date of the enact-
11 ment of this Act.

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