

115TH CONGRESS
2D SESSION

H. R. 5270

To amend the Internal Revenue Code of 1986 to allow a credit against tax for coal-powered electric generation units.

IN THE HOUSE OF REPRESENTATIVES

MARCH 14, 2018

Mr. BUCSHON (for himself, Mr. BARTON, Mr. CRAMER, Mr. BARR, Mr. JENKINS of West Virginia, and Mr. MCKINLEY) 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 a credit against tax for coal-powered electric generation units.

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 “Electricity Reliability
5 and Fuel Security Act”.

6 **SEC. 2. COAL-POWERED ELECTRIC GENERATION UNIT**
7 **CREDIT.**

8 (a) **FEDERAL TAX CREDIT FOR COAL-POWERED**
9 **ELECTRIC GENERATION UNITS.**—Subpart D of part IV
10 of subchapter A of chapter 1 of the Internal Revenue Code

1 of 1986 is amended by adding at the end the following
2 new section:

3 **“SEC. 45T. COAL-POWERED ELECTRIC GENERATION UNIT**
4 **CREDIT.**

5 “(a) IN GENERAL.—For purposes of section 38, in
6 the case of a taxpayer who owns or leases a coal-powered
7 electric generation unit, the coal-powered electric genera-
8 tion unit credit determined under this section for a taxable
9 year shall be an amount equal to the lesser of 30 percent
10 of qualified expenses paid or incurred by such taxpayer
11 in such year or the product of—

12 “(1) \$13, multiplied by

13 “(2) the nameplate capacity rating in kilowatts
14 of such unit.

15 “(b) COAL-POWERED ELECTRIC GENERATION
16 UNIT.—For purposes of this section, the term ‘coal-pow-
17 ered electric generation unit’ means an electric generation
18 unit (as defined in section 48A(c)(6)) that uses coal to
19 produce not less than 75 percent of the electricity pro-
20 duced by such unit.

21 “(c) QUALIFIED EXPENSES.—For purposes of this
22 section, the term ‘qualified expenses’ means amounts paid
23 or incurred for the operation or maintenance of a coal-
24 powered electric generation unit, other than amounts paid
25 or incurred for coal.

1 “(d) TRANSFER OF CREDIT BY CERTAIN PUBLIC EN-
2 TITIES.—

3 “(1) IN GENERAL.—If, with respect to a credit
4 under subsection (a) for any taxable year—

5 “(A) a qualified public entity would be the
6 taxpayer (but for this paragraph), and

7 “(B) such entity elects the application of
8 this paragraph for such taxable year with re-
9 spect to all (or any portion specified in such
10 election) of such credit, the eligible project part-
11 ner specified in such election, and not the quali-
12 fied public entity, shall be treated as the tax-
13 payer for purposes of this title with respect to
14 such credit (or such portion thereof).

15 “(2) DEFINITIONS.—For purposes of this sub-
16 section—

17 “(A) QUALIFIED PUBLIC ENTITY.—The
18 term ‘qualified public entity’ means—

19 “(i) a Federal, State, or local govern-
20 ment entity, or any political subdivision,
21 agency, or instrumentality thereof,

22 “(ii) a mutual or cooperative electric
23 company described in section 501(c)(12) or
24 1381(a)(2), or

1 “(iii) a not-for-profit electric utility
2 which had or has received a loan or loan
3 guarantee under the Rural Electrification
4 Act of 1936.

5 “(B) ELIGIBLE PROJECT PARTNER.—With
6 respect to coal-powered electric generation unit,
7 the term ‘eligible project partner’ means any
8 person who—

9 “(i) is responsible for operating, main-
10 taining, or repairing such unit,

11 “(ii) participates in the provision, in-
12 cluding transportation, of coal to such
13 unit,

14 “(iii) provides financing for the con-
15 struction or operation of such unit, or

16 “(iv) leases such unit.

17 “(3) SPECIAL RULES.—

18 “(A) APPLICATION TO PARTNERSHIPS.—In
19 the case of a credit under subsection (a) which
20 is determined at the partnership level—

21 “(i) for purposes of paragraph (1)(A),
22 a qualified public entity shall be treated as
23 the taxpayer with respect to such entity’s
24 distributive share of such credit, and

1 “(ii) the term ‘eligible project partner’
2 shall include any partner of the partner-
3 ship.

4 “(B) TAXABLE YEAR IN WHICH CREDIT
5 TAKEN INTO ACCOUNT.—In the case of any
6 credit (or portion thereof) with respect to which
7 an election is made under paragraph (1), such
8 credit shall be taken into account in the first
9 taxable year of the eligible project partner end-
10 ing with, or after, the qualified public entity’s
11 taxable year with respect to which the credit
12 was determined.

13 “(C) TREATMENT OF TRANSFER UNDER
14 PRIVATE USE RULES.—For purposes of section
15 141(b)(1), any benefit derived by an eligible
16 project partner in connection with an election
17 under this subsection shall not be taken into ac-
18 count as a private business use.

19 “(e) BASIS ADJUSTMENT.—For purposes of this sub-
20 title, if a credit is allowed under this section with respect
21 to any coal-powered electric generation unit, the basis of
22 such property shall be reduced by the amount of the credit
23 so allowed.

1 “(f) TERMINATION.—This section shall apply to tax-
2 able years beginning after December 31, 2017, and ending
3 before January 1, 2023.”.

4 (b) CONFORMING AMENDMENT.—Section
5 501(c)(12)(I) is amended by inserting “or 45T(d)(1)”
6 after “section 45J(e)(I)”.

7 (c) CREDIT ALLOWED AGAINST ALTERNATIVE MIN-
8 IMUM TAX.—Subparagraph (B) of section 38(c)(4) of the
9 Internal Revenue Code of 1986 is amended—

10 (1) by redesignating clauses (x), (xi), and (xii)
11 as clauses (xi), (xii), and (xiii), respectively; and

12 (2) by inserting after clause (ix) the following
13 new clause:

14 “(x) the credit determined under sec-
15 tion 45T,”.

16 (d) CLERICAL AMENDMENT.—The table of sections
17 for subpart D of part IV of subchapter A of chapter 1
18 is amended by adding at the end the following new item:

“Sec. 45T. Coal-powered electric generation unit credit.”.

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