



Federal Energy Legislation— Implications for ICI Sectors

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Federal Energy Legislation

Enacted

- [Energy Policy Act—2005](#)
- Energy Independence and Security Act of 2007 (EISA)

Pending/Proposed

- HR 6124—Food, Conservation, and Energy Act of 2008
 - S. 3036—Climate Security Act of 2008
 - HR 6049—Renewable Energy and Job Creation Act of 2008
 - HR 6001—Main Street USA Energy Security Act of 2008
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Energy Independence and Security Act of 2007 (EISA)

- President Bush signed EISA on December 19, 2007
 - EISA did not extend expiration dates of
 - Renewable Electricity Production Credit (REPC)
 - Clean Renewable Energy Bonds (CREBS)
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Title I	Energy Security Through Improved Vehicle Fuel Economy
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Subtitle		ICI Impact
A	Increased Corporate Average Fuel Economy Standards	Minimal
B	Improved Vehicle Technology	Direct
C	Federal Vehicle Fleets	Minimal

Title II	Energy Security Through Increased Production of Biofuels
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Subtitle		ICI Impact
A	Renewable Fuel Standard	Direct
B	Biofuels Research and Development	Minimal
C	Biofuels Infrastructure	Minimal
D	Environmental Safegaurds	Minimal

Minimal  Marginal  Direct 



EISA Titles I & II—Address “20 in 10” Program Goals, MA v. EPA Litigation

In State of Union Speech (January 2007), President Bush announced his “Twenty In Ten” Goal. Two elements are:

- **Increasing The Supply Of Renewable And Alternative Fuels** By Setting A Mandatory Fuels Standard To Require 35 Billion Gallons Of Renewable And Alternative Fuels In 2017 – Nearly Five Times The 2012 Target Now In Law. In 2017, this will displace 15 percent of projected annual gasoline use.
 - **Reforming And Modernizing Corporate Average Fuel Economy (CAFE) Standards For Cars And Extending The Current Light Truck Rule.** In 2017, this will reduce projected annual gasoline use by up to 8.5 billion gallons, a further 5 percent reduction that, in combination with increasing the supply of renewable and alternative fuels, will bring the total reduction in projected annual gasoline use to 20 percent.
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EISA Titles I & II—Address “20 in 10” Program Goals, MA v. EPA Litigation

- In *Massachusetts v. EPA*, Supreme Ct. decided that GHGs qualify as CAA “air pollutant”—but that decision in and of itself has no regulatory consequences. Court held that an EPA obligation to regulate is triggered only if EPA finds that GHGs may reasonably be anticipated to endanger public health or welfare.
 - EPA choices for remand (Judge Scalia dissent):
 - Make an endangerment finding and regulate.
 - Make a non-endangerment finding and not regulate.
 - Decline to do either. EPA can decline to regulate “...if it determines that greenhouse gases do not contribute to climate change or if it provides some reasonable explanation as to why it cannot or will not exercise discretion to determine whether they do.” This discretion must be exercised “within defined statutory limits” and cannot “rest...on reasoning divorced from statutory text.”
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EISA Titles I & II—Address “20 in 10” Program Goals, MA v. EPA Litigation

- EISA Sec. 202 requires EPA to issue renewable fuels regulations in conformity with the statute within one-year of its enactment. **This Congressional deadline takes precedence over EPA’s response to the *Massachusetts v. EPA* remand.**
- EISA Sec. 202(a)(1) requires a 20% reduction in GHG emissions relative to baseline levels.

Enactment of EISA makes the *Massachusetts v. EPA* remand less important both to the “20 in 10” program and to obtaining GHG emission reductions from the automotive sector through the CAA.

EISA does not render *Massachusetts v. EPA* a legal nullity....since it is pursuing a CAA program to reduce motor vehicle GHG emissions, enacted by Congress and must by statute be implemented within one-year.

Note: lack of remand by EPA appears to remove “finding” that GHG emissions have impact on health and welfare. Was basis for GHG regulation under CAA.



Title III	Energy Savings Through Improved Standards for Appliance & Lighting
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Subtitle		ICI Impact
A	Appliance and Energy Efficiency	Minimal
B	Lighting Energy Efficiency	Minimal

Title IV	Energy Savings in Buildings and Industry
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Subtitle		ICI Impact
A	Residential Building Efficiency	Minimal
B	High-Performance Commercial Buildings	Direct
C	High-Performance Federal Buildings	Minimal
D	Industrial Energy Efficiency	Marginal
E	Healthy High-Performance Schools	Minimal
F	Institutional Entities	Direct
G	Public and Assisted Housing	Minimal
H	General Provisions	Minimal

Minimal ■ Marginal ■ Direct ■



Subtitle D—Industrial Energy Efficiency

Section 451. Industrial Energy Efficiency

Title III of the Energy Policy and Conservation Act (42 U.S.C. 6291 et seq.) is amended by inserting after part D the following:

“Part E—Industrial Energy Efficiency”

Section 371. Definitions

Section 372. Survey and Registry

Section 373. Waste Energy Recovery Incentive Grant Program

Section 374. Additional Incentives for Recovery, Use, and Prevention of Industrial Waste Energy

Section 375. Clean Energy Applications Centers



Subtitle D—Industrial Energy Efficiency

Section 372. Recoverable Waste Energy Inventory Program

...will include an ongoing survey (i.e., Registry of Recoverable Waste Energy Sources) of all major industrial and large commercial combustion sources and sites in the United States.

...will also include a review of the quantity and quality of waste energy produced at each source.

EPA will calculate the total quantities of potentially recoverable waste energy from sources at the sites, nationally and by state, and make public:

- The total quantities of waste energy produced at each source.
 - Information on the criteria pollutant and GHG emissions savings that might be achieved with recovery of the waste energy from all sources and sites listed on the Registry.
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Subtitle D—Industrial Energy Efficiency

Section 372. Recoverable Waste Energy Inventory Program

For each site listed in the Registry, at the request of the owner or operator of the site, EPA will offer, in cooperation with the USDOE Clean Energy Application Centers, suggestions for optimum means of recovery of value from the waste energy stream in the form of electricity, useful thermal energy, or other energy-related products.

To be included in the Registry, a project must be “economically feasible” → ROI not later than five years after full project operation, including incentives offered under Section 451 (Sec 373 EPCA).

Projects proposed for inclusion in the Registry cannot be developed or used for the primary purpose of selling excess electric power.



Subtitle D—Industrial Energy Efficiency

Section 372. Recoverable Waste Energy Inventory Program

DOE will:

Provide technical support for waste energy recovery to owners or operators of combustion sources.

Offer partial funding (in an amount equal to not more than one-half of total costs) for feasibility studies to confirm whether or not investment in recovery of waste energy or CHP at a source would offer a payback period of five years or less.

For fiscal years 2008 through 2012:

\$1 million is authorized each year for **EPA** to create and maintain the Registry, and for services authorized under the program;

\$2 million is authorized each year for **DOE** to assist site or source owners and operators in determining the feasibility of projects; and

\$5 million is authorized for **State** energy office functions.



Subtitle D—Industrial Energy Efficiency

Section 373. Waste Energy Recovery Incentive Grant Program

...provides incentive grants to owners and operators of projects that either produce electricity or incremental useful thermal energy through waste energy recovery.

...provides grants to utilities that purchase or distribute the electricity from these projects, and to states that have achieved at least 80 percent of recoverable waste heat recovery opportunities.

Program details are yet to be established, including requirements for grant awards; however, the incentive structure is as follows:

1. Excess electric energy

Waste energy recovery—\$10 per megawatt-hour (MWh) of documented electricity produced from recoverable waste energy during the first three years of production.

Utilities—50 percent of the grant attributable to the net excess power produced by a project is payable to the utility that purchased or transmitted that excess power.



Subtitle D—Industrial Energy Efficiency

Section 373. Waste Energy Recovery Incentive Grant Program

2. **Useful thermal energy** – \$10 for each 3,412,000 Btus of excess thermal energy from waste energy recovery used for a purpose different from that which a project was primarily designed.

Grants are not available under this program for CHP or waste heat recovery projects that qualify for specific federal tax incentives.

Additional incentives for the recovery, use, and prevention of industrial waste energy are included in **Section 374 (EPCA)**

Funding levels [subject to appropriations] are:

\$100 million for FY2008

\$200 million for FY2009 through 2012



Subtitle D—Industrial Energy Efficiency

Section 375. Clean Energy Application Centers

...the DOE Regional CHP Application Centers are renamed “Clean Energy Application Centers.”

The centers will

- encourage deployment of clean energy technologies through education and outreach to building and industrial professionals and other individuals and organizations with an interest in efficient energy use, and
- provide project-specific support to building and industrial professionals through assessments and advisory activities.

Grants will be made to universities, research centers, and other appropriate institutions to ensure the continued operations and effectiveness of eight Regional Clean Energy Application Centers.

A total of \$10MM for each FY2008 through FY2012 will be made available, subject to appropriations..



Subtitle D—Industrial Energy Efficiency

Section 452—Energy-Intensive Industries Program

...directs DOE, in cooperation with energy-intensive industries and national industry trade associations representing these industries, to support, research, develop, and promote the use of new materials processes, technologies, and techniques to optimize energy efficiency and the economic competitiveness of U.S. industrial and commercial sectors.

DOE will issue competitive grants for innovative technology research, development and demonstrations to universities, individual inventors, and small companies, based on energy savings potential, commercial viability, and technical merit.

Grants will be awarded to projects that:

- Increase the energy efficiency of industrial processes and facilities.
 - Research, develop, and demonstrate advanced technologies capable of energy intensity reductions and increased environmental performance.
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Subtitle D—Industrial Energy Efficiency

Section 452—Energy-Intensive Industries Program

Promote:

- The use of feedstock and recycling research, development, and demonstration activities.
 - Research to develop and demonstrate technologies and processes that utilize alternative energy sources to supply heat, power, and new feedstocks for energy-intensive industries.
 - Research to achieve energy efficiency in steam, power, control system, and process heat technologies, and in other manufacturing processes.
 - Industrial and commercial energy efficiency and sustainability assessments.
 - The incorporation of technologies and innovations that would significantly improve the energy efficiency and utilization of energy-intensive commercial applications.
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Title V	Energy Savings In Government and Public Institutions
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Subtitle		ICI Impact
A	United State Capitol Complex	Minimal
B	Energy Savings Performance Contracting	Direct
C	Energy Efficiency in Federal Agencies	Minimal
D	Energy Efficiency in Public Institutions	Direct
E	Energy Efficiency and Conservation Block Grants	Direct

Title VI	Accelerated Research and Development
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Subtitle		ICI Impact
A	Solar Energy	Minimal
B	Geothermal Energy	Minimal
C	Marine and Hydrokenetic Renewable Energy	Minimal
D	Energy Storage for Transportation & Electric Power	Minimal

Minimal  Marginal  Direct 



Subtitle D—Energy Efficiency in Public Institutions

Section 542—Energy Efficiency and Conservation Block Grant Program

...specifies that DOE will establish a grant program to

- assist states, local governments, and Indian tribes in implementing strategies to reduce fossil fuel emissions created by activities within the jurisdictions of eligible entities;
- reduce the total energy use of the eligible entities; and
- improve energy efficiency in transportation, building, and other appropriate sectors.

\$2 billion will be available, subject to appropriations, for each of FY 2008 through 2012, with 68% of grant funds distributed to eligible units of local government, 28% to states, 2% to Indian tribes, and 2% in competitive grants.



Subtitle D—Energy Efficiency in Public Institutions

Section 542—Energy Efficiency and Conservation Block Grant Program

Eligible entities may use grants for:

- Establishment of financial incentive programs for energy efficiency improvements.
 - Application and implementation of energy distribution technologies that significantly increase energy efficiency, including distributed resources and district heating and cooling systems.
 - Purchase and implementation of technologies to reduce, capture, and, to the maximum extent practicable, use methane and other GHGs generated by landfills or similar sources.
 - Development, implementation, and installation, on or in any government building of the eligible entity, an onsite renewable energy technology that generates electricity from renewable resources, including solar energy, wind energy, fuel cells, and biomass.
 - Any other appropriate activity, as determined by the Secretary of Energy, in consultation with the EPA Administrator, the Secretary of Transportation, and the Secretary of Housing and Urban Development.
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Title VII	Carbon Capture and Sequestration
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Subtitle		ICI Impact
A	Carbon Capture and Sequestration Research, Development, and Demonstration	Direct
B	Carbon Capture and Sequestration Assessment and Framework	Direct

Title VIII	Improved Management of Energy Policy
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Subtitle		ICI Impact
A	Management Improvements	Direct
B	Prohibitions on Market Manipulation and False Information	Marginal



Subtitle A—Management Improvements

Section 803—Renewable Energy Construction Grants

...provides Construction Grants for renewable energy projects, including those that generate electricity from biomass (as defined in section 203(b) of the Energy Policy Act of 2005 (42 U.S.C. 15852(b)) and landfill gas.

DOE will award the grants; award criteria will be established at a later date.

Each applicant that receives a Grant must contribute at least 50 percent of the project funds.

A specific appropriations amount is not specified, but EISA authorizes such appropriations as necessary to carry out the program.



Title IX	International Energy Programs
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Subtitle		ICI Impact
A	Assistance to Promote Clean and Efficient Energy Technologies in Foreign Countries	Direct
B	International Clean Energy Foundation	Minimal
C	Miscellaneous Provisions	Minimal

ICI Impact

Title X	Green Jobs	Minimal
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Title XI	Energy Transportation and Infrastructure
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Subtitle		ICI Impact
A	Department of Transportation	Minimal
B	Railroads	Minimal
C	Marine Transportation	Minimal
D	Highways	Direct

Minimal ■ Marginal ■ Direct ■



		ICI Impact
Title XII	Small Business Energy Programs	Direct

		ICI Impact
Title XIII	Smart Grid	Minimal

		ICI Impact
Title XIV	Pool and Spa Safety	Marginal

		ICI Impact
Title XV	Revenue Provisions	Marginal

Minimal  Marginal  Direct 



Title XII—Small Business Energy Programs

Section 1201—Express Loans for Renewable Energy

...creates a program for express loans for renewable energy and energy efficiency.

Through SBA, loans can be made under the Express Loan Program for the purposes of purchasing a renewable energy system. A renewable energy system is derived from a category of sources, of which biomass (including animal wastes and other waste materials) is included. Biomass does not include un-segregated solid waste.

EISA does not specify authorized appropriations or the amount of funds available through this program.



PENDING ENERGY LEGISLATION



HR 6124—Food, Conservation, and Energy Act of 2008

- Proposed by: C. Peterson (D-MN)
 - Jun 5, 2008: Cleared for White House
 - Provides for continuation of agricultural and other programs at Department of Agriculture through FY2012.
 - Revises agricultural and related programs, including provisions respecting:
 - (1) commodity programs;
 - (2) conservation;
 - (3) trade;
 - (4) nutrition;
 - (5) credit;
 - (6) rural development;
 - (7) research and related matters;
 - (8) forestry;
 - (9) energy;
 - (10) horticulture and organic agriculture;
 - (11) livestock;
 - (12) crop insurance and disaster assistance;
 - (13) socially disadvantaged and limited resource producers; and
 - (14) miscellaneous programs.
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HR 6124—Food, Conservation, and Energy Act of 2008

- **Softwood Lumber Act of 2008:** Directs the President to establish and maintain an importer declaration program with respect to the importation of softwood lumber and softwood lumber products.
 - **Bill Emerson National Hunger Fellows and Mickey Leland International Hunger Fellows Program Act of 2008:** Establishes the Bill Emerson National Hunger Fellowship Program and the Mickey Leland International Hunger Fellowship Program.
 - **Housing Assistance Council Authorization Act of 2008:** Amends provisions respecting the Housing Assistance Council.
 - **Small Business Disaster Response and Loan Improvements Act of 2008:** Amends provisions respecting small business disaster assistance.
 - **CFTC Reauthorization Act of 2008:** Amends provisions respecting commodity futures.
 - **Agricultural Security Improvement Act of 2008:** Amends provisions respecting agricultural security.
 - **Heartland, Habitat, Harvest, and Horticulture Act of 2008:** Amends provisions respecting trade, energy, tax, and social security.
 - **Haitian Hemispheric Opportunity through Partnership Encouragement Act of 2008 or the HOPE II Act:** Amends provisions respecting trade benefits for Haiti.
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S. 3036—Climate Security Act of 2008 (S. 2191—Lieberman-Warner)

- Proposed by: B. Boxer (D-CA)
 - June 6, 2008: Considered by Senate
 - Requires EPA Administrator to establish:
 - (1) a greenhouse gas (GHG) registry; and
 - (2) a GHG emission allowance transfer system for covered facilities, including specified facilities within the electric power and [industrial sectors](#), and facilities that produce or entities that import petroleum- or coal- based transportation fuel or chemicals.
 - Sets forth emission allowances for 2012-2050, with a declining cap on GHGs.
 - Provides for selling, exchanging, transferring, submitting, retiring, or borrowing emission allowances. Establishes:
 - (1) a domestic offset program to sequester GHGs in agriculture and forests; and
 - (2) the Bonus Allowance Account.
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S. 3036—Climate Security Act of 2008 (S. 2191—Lieberman-Warner)

- Establishes the [Carbon Market Efficiency Board](#), which shall observe and report on the national GHG emission market and [provide cost relief](#) measures if it determines that the market poses significant harm to the U.S. economy.
 - Provides for the distribution of emission allowances, including initially giving allowances to:
 - (1) [specified owners and operators of covered facilities](#);
 - (2) states;
 - (3) load-serving entities that deliver electricity to retail consumers;
 - (4) the Secretary of Agriculture to reduce GHG emissions in the agriculture and forestry sectors;
 - (5) international forest protection activities; and
 - (6) the Emission Allowance Account for covered facilities in the electric power and [industrial sectors](#).
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S. 3036—Climate Security Act of 2008 (S. 2191—Lieberman-Warner)

- Establishes in the Treasury and provides for allocations from:
 - (1) the Energy Assistance Fund;
 - (2) the Climate Change Worker Training Fund;
 - (3) the Adaptation Fund; and
 - (4) the Climate Change and National Security Fund.
 - Establishes the Climate Change Credit Corporation to [auction emission allowances](#). Provides for the use of auction proceeds, including for
 - a zero- or low-carbon energy technologies program,
 - an [advanced coal and sequestration technologies program](#),
 - incentives for production of fuel from cellulosic biomass, and
 - an advanced technology vehicles manufacturing incentive program.
 - Amends the Energy Policy and Conservation Act to set forth provisions concerning appliance energy efficiency requirements and state building energy efficiency code updates.
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S. 3036—Climate Security Act of 2008 (S.2191—Lieberman-Warner)

- Requires the President to establish an interagency group to determine whether foreign countries have addressed GHGs.
 - Directs the Administrator to establish an international reserve allowance program. Requires the proceeds from sales of such allowances to be used to mitigate the negative impacts of climate change on other countries' disadvantaged communities
 - Amends the Safe Drinking Water Act to require the Administrator to [permit commercial-scale underground injection of carbon dioxide for purposes of geological sequestration.](#)
 - Requires the Secretary of Energy to [study the feasibility](#) of the construction of:
 - (1) pipelines for the transportation of carbon dioxide for sequestration or enhanced oil recovery; and
 - (2) [geological carbon dioxide sequestration facilities.](#)
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S. 3036—Climate Security Act of 2008 (S.2191—Lieberman-Warner)

- Directs the Administrator to establish a task force to study the cost implications of potential federal assumption of liability with respect to closed geological storage sites.
 - Authorizes the President to waive this Act's requirements in a national security emergency.
 - Requires the Securities and Exchange Commission (SEC) to [direct securities issuers to inform investors of material risks related to climate change.](#)
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HR 6049—Renewable Energy and Job Creation Act of 2008

- Proposed by: C. Rangel (D-NY) [17 co-sponsors]
 - June 9, 2008: goes to Senate for vote
 - Amends the Internal Revenue Code to
 - provide tax incentives for energy production and conservation,
 - extend expiring tax provisions, and
 - extend tax benefits to individual and business taxpayers.
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HR 6049—Title I: Energy Tax Incentives, Subtitle A: Energy Production Incentives

Part I: Renewable Energy Incentives

- **Sec. 101**—Extends: (1) through 2009 the tax credit for producing electricity from qualified wind facilities; and (2) through 2011 the tax credits for producing electricity from closed and open-loop biomass, geothermal or solar energy, small irrigation power, municipal solid waste, trash combustion, and qualified hydropower.
Imposes a limit on such tax credit based upon investment in renewable resource facilities placed in service after 2009 in lieu of the current phase-out provisions for such credit. Expands the definitions of and rules for “open-loop biomass facility,” “qualified trash combustion facility,” and “non-hydroelectric” dam for purposes of such credit.
 - **Sec. 103**—Extends through 2014 the energy tax credit for solar energy, fuel cell, and micro-turbine property. [Allows a new energy tax credit for combined heat and power system property](#). Increases to \$1,500 the credit limitation for fuel cell property.
Modifies energy tax credit rules to allow: (1) offsets of tax credit amounts against alternative minimum tax (AMT) liabilities; and (2) public utility property to qualify for such credit.
 - **Sec. 106**—Allows a new tax credit for investment in qualified new clean renewable energy bonds.
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HR 6049—Title I: Energy Tax Incentives, Subtitle A: Energy Production Incentives

Part II: Carbon Mitigation Provisions

- **Sec. 111**—Increases to 30% the investment tax credit rate for power generation projects using IGCC and other advanced coal-based generation technology projects. Increases the maximum credit amounts allocable for such projects to \$2.55 billion.
 - **Sec. 112**—Increases to 30% the investment tax credit rate for coal gasification projects. Increases by \$250 million the aggregate credit amounts for coal gasification projects.
 - **Sec. 113**—Extends the excise tax on coal until the earlier of January 1, 2019, or the day after the first December 31st after December 31, 2007, on which there is no balance of repayable advances made to the Black Lung Disability Trust Fund and no unpaid interest on such advances.
 - **Sec. 114**—Sets forth a special rule for refund claims of coal excise tax by certain coal producers and exporters.
 - **Sec. 115**—Directs the Secretary of the Treasury to contract with the National Academy of Sciences for a comprehensive review of Internal Revenue Code provisions that have the largest effects on carbon and other greenhouse gas emissions. Requires the Academy to report to Congress on the results of such study not later than two years after the enactment of this Act. Authorizes appropriations.
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HR 6049—Title I: Energy Tax Incentives

Subtitle B: Transportation and Domestic Fuel Security Provisions

- **Sec. 121**—Includes cellulosic biofuel within the definition of biomass ethanol plant property for purposes of bonus depreciation.
 - **Sec. 122**—Extends through 2009 income and excise tax credits for biodiesel and renewable diesel used as fuel. Increases the rates of such credits.
 - **Sec. 124**—Allows a new tax credit for the production of qualified plug-in electric drive motor vehicles. Defines a “qualified plug-in electric drive vehicle” as a motor vehicle weighing less than 14,000 pounds that meets certain emission standards under the Clean Air Act and that is propelled to a significant extent by an electric motor that draws electricity from a rechargeable battery.
 - **Sec. 125**—Allows an exclusion from the heavy truck excise tax for idling reduction devices and advanced insulation used in certain heavy trucks and trailers.
 - **Sec. 127**—Allows employees to exclude reimbursements for bicycle commuting expenses from gross income.
 - **Sec. 128**—Extends through 2010 the tax credit for installing non-hydrogen alternative fuel refueling property. Increases the rate of the tax credit for alternative fuel refueling property expenditures from 30 to 50% and raises the dollar limit for commercial properties to \$50,000.
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HR 6049—Title I: Energy Tax Incentives

Subtitle C: : Energy Conservation and Efficiency Provisions

- **Sec. 141**—Authorizes the issuance of qualified energy conservation bonds to finance local government conservation and greenhouse gas reduction projects. Imposes a national limitation of \$3 billion on the issuance of such bonds.
 - **Sec. 143**—Extends the tax deduction for energy efficient commercial buildings through 2013.
 - **Sec. 145**—Allows an accelerated 10-year recovery period for the depreciation of qualified smart electric meters and smart electric grid systems.
 - **Sec. 146**— Extends through FY2012 the authority to issue tax-exempt bonds for qualified green building and sustainable design projects.
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HR 6049—Title II One-Year Extension of Temporary Provisions

Subtitle B: Extensions Primarily Affecting Businesses

Sec. 221—Research Credit

- Extends through 2008 the tax credit for increasing research activities. Sets forth a special rule for the computation of such tax credit for taxable years in which it terminates.
 - Extends through 2008 other business-related tax provisions, including:
 - (1) the tax credits for Indian employment and railroad track maintenance;
 - (3) the expensing allowance for environmental remediation costs;
 - (4) the tax deduction for income attributable to domestic production activities in Puerto Rico;
 - (5) the special rule for the tax treatment of certain payments to tax-exempt organizations by a controlled subsidiary;
 - (6) the authority for issuance of qualified zone academy bonds;
 - (11) the special rule relating to reductions in the basis of S corporation stock for charitable contributions of property; and
 - (12) work opportunity tax credit eligibility for Hurricane Katrina employees (through August 28, 2008).
 - Extends through 2009:
 - (1) the new markets tax credit;
 - (2) the Subpart F income exemption for active financing income;
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HR 6049—Title IV: Revenue Provisions

- **Sec. 401**—Requires the inclusion in gross income for income tax purposes of employee compensation deferred under a nonqualified deferred compensation plan of a nonqualified entity when there is no substantial risk of forfeiture of the rights to such compensation.

Defines “nonqualified entity” as any foreign corporation unless substantially all of its income is:

- (1) effectively connected with a trade or business in the United States; or
 - (2) subject to a comprehensive foreign income tax. Includes certain partnerships within such definition.
- **Sec. 402**—Delays until 2019 the application of special rules for the worldwide allocation of interest for purposes of computing the limitation on the foreign tax credit.
 - **Sec. 403**—Amends the Tax Increase Prevention and Reconciliation Act of 2005 to:
 - (1) repeal the adjustment to the estimated tax liability of corporations with at least \$1 billion in assets for the third quarter of 2012; and
 - (2) increase the estimated tax payments of such corporations in the third quarter of 2013 by 37.75%.
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HR 6001—Main Street USA Energy Security Act of 2008

- Proposed by: Rep. S. Buyer (R-IN)
 - May 8, 2008: Referred to House Science and Technology
 - The Main Street USA Energy Security Act of 2008
 - builds upon the Energy Policy Act of 2005.
 - would rebalance the United States energy portfolio, to increase and utilize the Nation's domestic energy resources and supply, to strengthen energy security and independence.
 - seeks to encourage greater domestic production of energy, bringing more energy electricity to the grid, renewing development of the nation's nuclear program, expanding cellulosic ethanol technologies, and increasing the use of clean coal
 - provides for conservation incentives and supports renewable energy sources.
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