

112TH CONGRESS  
1ST SESSION

# H. R. 3308

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

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## IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 2, 2011

Mr. POMPEO (for himself, Mr. LABRADOR, Mr. RIBBLE, and Mr. FLAKE) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## 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; TABLE OF CONTENTS; ETC.**

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

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

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

4 (c) TABLE OF CONTENTS.—The table of contents for  
 5 this Act is as follows:

Sec. 1. Short title; table of contents; etc.

#### TITLE I—REPEAL OF ENERGY TAX SUBSIDIES

Sec. 101. Repeal of credit for alcohol fuel, biodiesel, and alternative fuel mix-  
 tures.

Sec. 102. Repeal of credit for certain plug-in electric vehicles.

Sec. 103. Early termination of credit for qualified fuel cell motor vehicles.

Sec. 104. Repeal of alternative fuel vehicle refueling property credit.

Sec. 105. Repeal of credit for alcohol used as fuel.

Sec. 106. Repeal of credit for biodiesel and renewable diesel used as fuel.

Sec. 107. Repeal of enhanced oil recovery credit.

Sec. 108. Termination of credit for electricity produced from certain renewable  
 resources.

Sec. 109. Repeal of credit for producing oil and gas from marginal wells.

Sec. 110. Termination of credit for production from advanced nuclear power fa-  
 cilities.

Sec. 111. Repeal of credit for carbon dioxide sequestration.

Sec. 112. Termination of energy credit.

Sec. 113. Repeal of qualifying advanced coal project.

Sec. 114. Repeal of qualifying gasification project credit.

Sec. 115. Repeal of American Recovery and Reinvestment Act of 2009 energy  
 grant program.

#### TITLE II—REDUCTION OF CORPORATE INCOME TAX RATE

Sec. 201. Corporate income tax rate reduced.

## 6 **TITLE I—REPEAL OF ENERGY** 7 **TAX SUBSIDIES**

### 8 **SEC. 101. REPEAL OF CREDIT FOR ALCOHOL FUEL, BIO-** 9 **DIESEL, AND ALTERNATIVE FUEL MIXTURES.**

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

11 (b) CONFORMING AMENDMENTS.—

1           (1) Subparagraph (D) of section 6427(e)(6) of  
2 such Code is amended by striking “September 30,  
3 2014” and inserting “September 30, 2012”.

4           (2) Paragraph (1) of section 4101(a) is amend-  
5 ed by striking “or alcohol (as defined in section  
6 6426(b)(4)(A))”.

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

9           (4) Subparagraph (E) of section 7704(d)(1) is  
10 amended—

11           (A) by inserting “(as in effect on the day  
12 before the date of the enactment of the Energy  
13 Freedom and Economic Prosperity Act)” after  
14 “of section 6426”, and

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

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

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

22           (d) EFFECTIVE.—The amendments made by this sec-  
23 tion shall apply with respect to fuel sold and used after  
24 December 31, 2012.

1 **SEC. 102. REPEAL OF CREDIT FOR CERTAIN PLUG-IN ELEC-**  
2 **TRIC VEHICLES.**

3 (a) IN GENERAL.—Section 30 is repealed.

4 (b) CONFORMING AMENDMENTS.—

5 (1) Paragraph (3) of Section 24(b) is amended  
6 by striking “, 30”.

7 (2) Clause (ii) of section 25(e)(1)(C) is amend-  
8 ed by striking “, 30”.

9 (3) Paragraph (2) of section 25B(g) is amended  
10 by striking “, 30”.

11 (4) Paragraph (1) of section 26(a) is amended  
12 by striking “, 30”.

13 (5) Subclause (VI) of section 48C(e)(1)(A)(i) is  
14 amended by inserting “(as in effect on the day be-  
15 fore the date of the enactment of the Energy Free-  
16 dom and Economic Prosperity Act)” after “section  
17 30(d)”.

18 (6) Paragraph (3) of section 179A(c) is amend-  
19 ed by inserting “(as in effect on the day before the  
20 date of the enactment of the Energy Freedom and  
21 Economic Prosperity Act)” after section “30(c)”.

22 (7) Subsection (a) of section 1016 is amended  
23 by striking paragraph (25) and by redesignating  
24 paragraphs (26) through (37) as paragraphs (25)  
25 through (36), respectively.

1           (8) Subsection (m) of section 6501 is amended  
2           by striking “30(e)(6)”.

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

6           (d) EFFECTIVE DATE.—The amendments made by  
7 this section shall apply to property placed in service after  
8 December 31, 2011.

9   **SEC. 103. EARLY TERMINATION OF CREDIT FOR QUALIFIED**  
10                                   **FUEL CELL MOTOR VEHICLES.**

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

12           (b) CONFORMING AMENDMENTS.—

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

15                 (2) Clause (ii) of section 25(e)(1)(C) is amend-  
16 ed by striking “, 30B”.

17                 (3) Paragraph (2) of section 25B(g) is amended  
18 by striking “, 30B,”.

19                 (4) Paragraph (1) of section 26(a) is amended  
20 by striking “, 30B”.

21                 (5) Subsection (b) of section 38 is amended by  
22 striking paragraph (25).

23                 (6) Subsection (a) of section 1016, as amended  
24 by section 102 of this Act, is amended by striking  
25 paragraph (33) and by redesignating paragraphs

1 (34), (35), and (36) as paragraphs (33), (34), and  
2 (35), respectively.

3 (7) Paragraph (2) of section 1400C(d) is  
4 amended by striking “, 30B”.

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

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

10 (d) EFFECTIVE DATE.—The amendments made by  
11 this section shall apply to property placed in service after  
12 December 31, 2012.

13 **SEC. 104. REPEAL OF ALTERNATIVE FUEL VEHICLE RE-**  
14 **FUELING PROPERTY CREDIT.**

15 (a) IN GENERAL.—Section 30C is repealed.

16 (b) CONFORMING AMENDMENTS.—

17 (1) Subsection (b) of section 38 is amended by  
18 striking paragraph (26).

19 (2) Paragraph (3) of section 55(c) is amended  
20 by striking “, 30C(d)(2),”.

21 (3) Subsection (a) of section 1016, as amended  
22 by sections 102 and 103 of this Act, is amended by  
23 striking paragraph (33) and by redesignating para-  
24 graph (34) and (35) as paragraphs (33) and (34),  
25 respectively.

1           (4) Subsection (m) of section 6501 is amended  
2           by striking “, 30C(e)(5)”.

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

6           (d) EFFECTIVE DATE.—The amendments made by  
7 this section shall apply to property placed in service after  
8 December 31, 2012.

9   **SEC. 105. REPEAL OF CREDIT FOR ALCOHOL USED AS**  
10                                   **FUEL.**

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

12           (b) CONFORMING AMENDMENTS.—

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

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

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

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

1 (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to fuel sold or used after December  
3 31, 2012.

4 **SEC. 106. REPEAL OF CREDIT FOR BIODIESEL AND RENEW-**  
5 **ABLE DIESEL USED AS FUEL.**

6 (a) IN GENERAL.—Section 40A is repealed.

7 (b) CONFORMING AMENDMENT.—

8 (1) Subsection (b) of section 38 is amended by  
9 striking paragraph (17).

10 (2) Section 87 is repealed.

11 (3) Subsection (c) of section 196, as amended  
12 by section 106 of this Act, is amended by striking  
13 paragraph (11) and by redesignating paragraphs  
14 (11), (12), and (13) as paragraphs (10), (11), and  
15 (12), respectively.

16 (4) Paragraph (1) of section 4101(a) is amend-  
17 ed by striking “, every person producing or import-  
18 ing biodiesel (as defined in section 40A(d)(1))”.

19 (5) Paragraph (1) of section 4104(a) is amend-  
20 ed by striking “, and 40A”.

21 (6) Subparagraph (E) of section 7704(d)(1) is  
22 amended by inserting “(as so in effect)” after “sec-  
23 tion 40A(d)(1)”.



1 (c) CLERICAL AMENDMENT.—The table of sections  
2 for subpart D of part IV of subchapter A of chapter 1  
3 is amended by striking the item relating to section 40A.

4 (d) EFFECTIVE DATE.—The amendments made by  
5 this section shall apply to fuel produced, and sold or used,  
6 after December 31, 2011.

7 **SEC. 107. REPEAL OF ENHANCED OIL RECOVERY CREDIT.**

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

9 (b) CONFORMING AMENDMENTS.—

10 (1) Subsection (b) of section 38 is amended by  
11 striking paragraph (6).

12 (2) Paragraph (4) of section 45Q(d) is amended  
13 by inserting “(as in effect on the day before the date  
14 of the enactment of the Energy Freedom and Eco-  
15 nomic Prosperity Act)” after “section 43(c)(2)”.

16 (3) Subsection (c) of section 196, as amended  
17 by sections 106 and 107 of this Act, is amended by  
18 striking paragraph (5) and by redesignating para-  
19 graphs (6) through (12) as paragraphs (5) through  
20 (11), respectively.

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

1 (d) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to costs paid or incurred in taxable  
3 years beginning after December 31, 2012.

4 **SEC. 108. TERMINATION OF CREDIT FOR ELECTRICITY**  
5 **PRODUCED FROM CERTAIN RENEWABLE RE-**  
6 **SOURCES.**

7 (a) IN GENERAL.—Subsection (d) of section 45 is  
8 amended—

9 (1) by striking “2013” in paragraph (1) and in-  
10 sserting “2012”, and

11 (2) by striking “2014” each place it appears in  
12 paragraphs (2), (3), (4), (6), (7), (9), and (11) and  
13 inserting “2012”.

14 (b) EFFECTIVE DATE.—The amendments made by  
15 this section shall apply to property placed in service after  
16 December 31, 2012.

17 **SEC. 109. REPEAL OF CREDIT FOR PRODUCING OIL AND**  
18 **GAS FROM MARGINAL WELLS.**

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

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

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

1 (d) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to production in taxable years be-  
3 ginning after December 31, 2012.

4 **SEC. 110. TERMINATION OF CREDIT FOR PRODUCTION**  
5 **FROM ADVANCED NUCLEAR POWER FACILI-**  
6 **TIES.**

7 (a) IN GENERAL.—Subparagraph (B) of section  
8 45J(d)(1) is amended by striking “January 1, 2021” and  
9 inserting “January 1, 2013”.

10 (b) EFFECTIVE DATE.—The amendments made by  
11 this section shall apply to property placed in service after  
12 December 31, 2012.

13 **SEC. 111. REPEAL OF CREDIT FOR CARBON DIOXIDE SE-**  
14 **QUESTRATION.**

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

16 (b) EFFECTIVE DATE.—The amendment made by  
17 this section shall apply to carbon dioxide captured after  
18 December 31, 2012.

19 **SEC. 112. TERMINATION OF ENERGY CREDIT.**

20 (a) IN GENERAL.—Section 48 is amended—

21 (1) by striking “January 1, 2017” each place  
22 it appears and inserting “January 1, 2013”,

23 (2) by striking “December 31, 2016” each  
24 place it appears and inserting “December 31,  
25 2012”, and

1           (3) by striking “2012, or 2013” in subsection  
2           (a)(5)(C)(ii) and inserting “or 2012”.

3           (b) EFFECTIVE DATE.—The amendments made by  
4 this section shall apply to property placed in service after  
5 December 31, 2012.

6 **SEC. 113. REPEAL OF QUALIFYING ADVANCED COAL**  
7 **PROJECT.**

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

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

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

16           (d) EFFECTIVE DATE.—The amendments made by  
17 this section shall apply to property placed in service after  
18 December 31, 2012.

19 **SEC. 114. REPEAL OF QUALIFYING GASIFICATION PROJECT**  
20 **CREDIT.**

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

22           (b) CONFORMING AMENDMENT.—Section 46, as  
23 amended by this Act, is amended by striking paragraph  
24 (3) and by redesignating paragraphs (4) and (5) as para-  
25 graphs (3) and (4), respectively.

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

4 (d) EFFECTIVE DATE.—The amendments made by  
5 this section shall apply to property placed in service after  
6 December 31, 2012.

7 **SEC. 115. REPEAL OF AMERICAN RECOVERY AND REIN-**  
8 **VESTMENT ACT OF 2009 ENERGY GRANT PRO-**  
9 **GRAM.**

10 (a) IN GENERAL.—Section 1603 of division B of the  
11 American Recovery and Reinvestment Act of 2009 is re-  
12 pealed.

13 (b) EFFECTIVE DATE.—The amendment made by  
14 this section shall apply to property placed in service after  
15 December 31, 2011.

16 **TITLE II—REDUCTION OF**  
17 **CORPORATE INCOME TAX RATE**

18 **SEC. 201. CORPORATE INCOME TAX RATE REDUCED.**

19 (a) IN GENERAL.—Not later than 1 year after the  
20 date of the enactment of this Act, the Secretary of the  
21 Treasury shall prescribe a rate of tax in lieu of the rates  
22 under paragraphs (1) and (2) of section 11(b), section  
23 1201(a), and paragraphs (1), (2), and (6) of section  
24 1445(e) to such a flat rate as the Secretary estimates  
25 would result in—

1           (1) a decrease in revenue to the Treasury for  
2 taxable years beginning during the 10-year period  
3 beginning on the date of the enactment of this Act,  
4 equal to

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

8           (b) EFFECTIVE DATE.—The rate 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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