

1 “(i) produced by the taxpayer at a
2 qualified facility, and

3 “(ii)(I) sold by the taxpayer to an un-
4 related person during the taxable year, or

5 “(II) in the case of a qualified facility
6 which is equipped with a metering device
7 which is owned and operated by an unre-
8 lated person, sold, consumed, or stored by
9 the taxpayer during the taxable year.

10 “(2) APPLICABLE CREDIT RATE.—

11 “(A) IN GENERAL.—

12 “(i) MAXIMUM CREDIT RATE.—Except
13 as provided in clause (ii), the applicable
14 credit rate is 1.5 cents.

15 “(ii) REDUCTION OF CREDIT BASED
16 ON GREENHOUSE GAS EMISSION RATE.—
17 The applicable credit rate shall be reduced
18 (but not below zero) by an amount which
19 bears the same ratio to the amount in ef-
20 fect under clause (i) as the greenhouse gas
21 emissions rate for the qualified facility
22 bears to 372 grams of CO_{2e} per KWh.

23 “(B) ROUNDING.—If any amount deter-
24 mined under subparagraph (A)(ii) is not a mul-

1 tiple of 0.1 cent, such amount shall be rounded
2 to the nearest multiple of 0.1 cent.

3 “(b) GREENHOUSE GAS EMISSIONS RATE.—

4 “(1) IN GENERAL.—For purposes of this sec-
5 tion, the term ‘greenhouse gas emissions rate’ means
6 the amount of greenhouse gases emitted into the at-
7 mosphere by a qualified facility in the production of
8 electricity, expressed as grams of CO₂e per KWh.

9 “(2) NON-FOSSIL FUEL COMBUSTION AND GAS-
10 IFICATION.—In the case of a qualified facility which
11 produces electricity through combustion or gasifi-
12 cation of a non-fossil fuel, the greenhouse gas emis-
13 sions rate for such facility shall be equal to the net
14 rate of greenhouse gases emitted into the atmos-
15 phere by such facility in the production of electricity,
16 expressed as grams of CO₂e per KWh.

17 “(3) ESTABLISHMENT OF SAFE HARBOR FOR
18 QUALIFIED FACILITIES.—

19 “(A) IN GENERAL.—The Secretary, in con-
20 sultation with the Administrator of the Envi-
21 ronmental Protection Agency, shall, by regula-
22 tion, establish safe-harbor greenhouse gas emis-
23 sions rates for types or categories of qualified
24 facilities, which a taxpayer may elect to use for
25 purposes of this section.

1 “(B) SPECIAL RULE FOR NON-FOSSIL COM-
2 BUSTION FACILITIES.—In establishing the safe-
3 harbor greenhouse gas emissions rates for
4 qualified facilities described in paragraph (2),
5 the Secretary may round such rates to the
6 nearest multiple of 37.2 grams of CO₂e per
7 KWh (or, in the case of a greenhouse gas emis-
8 sions rate which is less than 18.6 grams of
9 CO₂e per KWh, by rounding such rate to zero).

10 “(4) CARBON CAPTURE AND SEQUESTRATION
11 EQUIPMENT.—For purposes of this subsection, the
12 amount of greenhouse gases emitted into the atmos-
13 phere by a qualified facility in the production of
14 electricity shall not include any qualified carbon di-
15 oxide (as defined in section 48E(c)(3)(A)) that is
16 captured and disposed of by the taxpayer.

17 “(c) INFLATION ADJUSTMENT.—

18 “(1) IN GENERAL.—In the case of a calendar
19 year beginning after 2016, the 1.5 cent amount in
20 clause (i) of subsection (a)(2)(A) shall be adjusted
21 by multiplying such amount by the inflation adjust-
22 ment factor for the calendar year in which the sale
23 or use of the electricity occurs. If any amount as in-
24 creased under the preceding sentence is not a mul-

1 multiple of 0.1 cent, such amount shall be rounded to
2 the nearest multiple of 0.1 cent.

3 “(2) ANNUAL COMPUTATION.—The Secretary
4 shall, not later than April 1 of each calendar year,
5 determine and publish in the Federal Register the
6 inflation adjustment factor for such calendar year in
7 accordance with this subsection.

8 “(3) INFLATION ADJUSTMENT FACTOR.—The
9 term ‘inflation adjustment factor’ means, with re-
10 spect to a calendar year, a fraction the numerator
11 of which is the GDP implicit price deflator for the
12 preceding calendar year and the denominator of
13 which is the GDP implicit price deflator for the cal-
14 endar year 1992. The term ‘GDP implicit price
15 deflator’ means the most recent revision of the im-
16 plicit price deflator for the gross domestic product
17 as computed and published by the Department of
18 Commerce before March 15 of the calendar year.

19 “(d) CREDIT PHASE-OUT.—

20 “(1) IN GENERAL.—If the Secretary, in con-
21 sultation with the Secretary of Energy and the Ad-
22 ministrator of the Environmental Protection Agency,
23 determines that the annual average greenhouse gas
24 emissions rate for electrical production in the United
25 States is equal to or less than 372 grams of CO_{2e}

1 per KWh, the amount of the clean energy production
2 credit under subsection (a) for any qualified facility
3 placed in service during a calendar year described in
4 paragraph (2) shall be equal to the product of—

5 “(A) the amount of the credit determined
6 under subsection (a) without regard to this sub-
7 section, multiplied by

8 “(B) the phase-out percentage under para-
9 graph (2).

10 “(2) PHASE-OUT PERCENTAGE.—The phase-out
11 percentage under this paragraph is equal to—

12 “(A) for a facility placed in service during
13 the first calendar year following the calendar
14 year in which the determination described in
15 paragraph (1) is made, 75 percent,

16 “(B) for a facility placed in service during
17 the second calendar year following such deter-
18 mination year, 50 percent,

19 “(C) for a facility placed in service during
20 the third calendar year following such deter-
21 mination year, 25 percent, and

22 “(D) for a facility placed in service during
23 any calendar year subsequent to the year de-
24 scribed in subparagraph (C), 0 percent.

25 “(e) DEFINITIONS.—In this section:

1 “(1) CO₂e PER KWh.—The term ‘CO₂e per
2 KWh’ means, with respect to any greenhouse gas,
3 the equivalent carbon dioxide per kilowatt hour of
4 electricity produced.

5 “(2) GREENHOUSE GAS.—The term ‘greenhouse
6 gas’ has the same meaning given such term under
7 section 211(o)(1)(G) of the Clean Air Act (42
8 U.S.C. 7545(o)(1)(G)), as in effect on the date of
9 the enactment of this section.

10 “(3) QUALIFIED FACILITY.—

11 “(A) IN GENERAL.—Subject to subpara-
12 graphs (B) and (C), the term ‘qualified facility’
13 means a facility which is—

14 “(i) used for the generation of elec-
15 tricity, and

16 “(ii) originally placed in service after
17 December 31, 2016.

18 “(B) 10-YEAR PRODUCTION CREDIT.—For
19 purposes of this section, a facility shall only
20 qualify as a qualified facility during the 10-year
21 period beginning on the date the facility was
22 originally placed in service.

23 “(C) EXPANSION OF FACILITY; INCRE-
24 MENTAL PRODUCTION.—A qualified facility
25 shall include either of the following in connec-

1 tion with a facility described in subparagraph
2 (A)(i) that was previously placed in service, but
3 only to the extent of the increased amount of
4 electricity produced at the facility by reason of
5 the following:

6 “(i) A new unit placed in service after
7 December 31, 2016.

8 “(ii) Any efficiency improvements or
9 additions of capacity placed in service after
10 December 31, 2016.

11 “(D) COORDINATION WITH CLEAN ENERGY
12 INVESTMENT CREDIT.—The term ‘qualified fa-
13 cility’ shall not include any facility for which a
14 clean energy investment credit determined
15 under section 48E is allowed under section 38
16 for the taxable year or any prior taxable year.

17 “(f) FINAL GUIDANCE.—Not later than January 1,
18 2016, the Secretary, in consultation with the Adminis-
19 trator of the Environmental Protection Agency, shall issue
20 final guidance regarding implementation of this section,
21 including calculation of greenhouse gas emission rates for
22 qualified facilities and determination of clean energy pro-
23 duction credits under this section.

24 “(g) SPECIAL RULES.—

1 “(1) ONLY PRODUCTION IN THE UNITED
2 STATES TAKEN INTO ACCOUNT.—Consumption or
3 sales shall be taken into account under this section
4 only with respect to electricity the production of
5 which is within—

6 “(A) the United States (within the mean-
7 ing of section 638(1)), or

8 “(B) a possession of the United States
9 (within the meaning of section 638(2)).

10 “(2) PRODUCTION ATTRIBUTABLE TO THE TAX-
11 PAYER.—In the case of a qualified facility in which
12 more than 1 person has an ownership interest, ex-
13 cept to the extent provided in regulations prescribed
14 by the Secretary, production from the facility shall
15 be allocated among such persons in proportion to
16 their respective ownership interests in the gross
17 sales from such facility.

18 “(3) RELATED PERSONS.—Persons shall be
19 treated as related to each other if such persons
20 would be treated as a single employer under the reg-
21 ulations prescribed under section 52(b). In the case
22 of a corporation which is a member of an affiliated
23 group of corporations filing a consolidated return,
24 such corporation shall be treated as selling electricity

1 to an unrelated person if such electricity is sold to
2 such a person by another member of such group.

3 “(4) PASS-THRU IN THE CASE OF ESTATES AND
4 TRUSTS.—Under regulations prescribed by the Sec-
5 retary, rules similar to the rules of subsection (d) of
6 section 52 shall apply.

7 “(5) ALLOCATION OF CREDIT TO PATRONS OF
8 AGRICULTURAL COOPERATIVE.—

9 “(A) ELECTION TO ALLOCATE.—

10 “(i) IN GENERAL.—In the case of an
11 eligible cooperative organization, any por-
12 tion of the credit determined under sub-
13 section (a) for the taxable year may, at the
14 election of the organization, be apportioned
15 among patrons of the organization on the
16 basis of the amount of business done by
17 the patrons during the taxable year.

18 “(ii) FORM AND EFFECT OF ELEC-
19 TION.—An election under clause (i) for any
20 taxable year shall be made on a timely
21 filed return for such year. Such election,
22 once made, shall be irrevocable for such
23 taxable year. Such election shall not take
24 effect unless the organization designates
25 the apportionment as such in a written no-

1 tice mailed to its patrons during the pay-
2 ment period described in section 1382(d).

3 “(B) TREATMENT OF ORGANIZATIONS AND
4 PATRONS.—The amount of the credit appor-
5 tioned to any patrons under subparagraph
6 (A)—

7 “(i) shall not be included in the
8 amount determined under subsection (a)
9 with respect to the organization for the
10 taxable year, and

11 “(ii) shall be included in the amount
12 determined under subsection (a) for the
13 first taxable year of each patron ending on
14 or after the last day of the payment period
15 (as defined in section 1382(d)) for the tax-
16 able year of the organization or, if earlier,
17 for the taxable year of each patron ending
18 on or after the date on which the patron
19 receives notice from the cooperative of the
20 apportionment.

21 “(C) SPECIAL RULES FOR DECREASE IN
22 CREDITS FOR TAXABLE YEAR.—If the amount
23 of the credit of a cooperative organization de-
24 termined under subsection (a) for a taxable
25 year is less than the amount of such credit

1 shown on the return of the cooperative organi-
2 zation for such year, an amount equal to the
3 excess of—

4 “(i) such reduction, over

5 “(ii) the amount not apportioned to
6 such patrons under subparagraph (A) for
7 the taxable year,

8 shall be treated as an increase in tax imposed
9 by this chapter on the organization. Such in-
10 crease shall not be treated as tax imposed by
11 this chapter for purposes of determining the
12 amount of any credit under this chapter.

13 “(D) ELIGIBLE COOPERATIVE DEFINED.—
14 For purposes of this section, the term ‘eligible
15 cooperative’ means a cooperative organization
16 described in section 1381(a) which is owned
17 more than 50 percent by agricultural producers
18 or by entities owned by agricultural producers.
19 For this purpose an entity owned by an agricul-
20 tural producer is one that is more than 50 per-
21 cent owned by agricultural producers.”.

22 (b) CONFORMING AMENDMENTS.—

23 (1) Section 38(b) is amended—

24 (A) in paragraph (35), by striking “plus”
25 at the end,

1 (B) in paragraph (36), by striking the pe-
2 riod at the end and inserting “, plus”, and

3 (C) by adding at the end the following new
4 paragraph:

5 “(37) the clean energy production credit.”.

6 (2) The table of sections for subpart D of part
7 IV of subchapter A of chapter 1 is amended by add-
8 ing at the end the following new item:

“Sec. 45S. Clean energy production credit.”.

9 (c) EFFECTIVE DATE.—The amendments made by
10 this section shall apply to facilities placed in service after
11 December 31, 2016.

12 **SEC. 02. CLEAN ENERGY INVESTMENT CREDIT.**

13 (a) IN GENERAL.—Subpart E of part IV of sub-
14 chapter A of chapter 1 is amended by inserting after sec-
15 tion 48D the following new section:

16 **“SEC. 48E. CLEAN ENERGY INVESTMENT CREDIT.**

17 “(a) INVESTMENT CREDIT FOR QUALIFIED PROP-
18 ERTY.—

19 “(1) IN GENERAL.—For purposes of section 46,
20 the clean energy investment credit for any taxable
21 year is equal to—

22 “(A) the clean energy percentage of the
23 qualified investment for such taxable year with
24 respect to any qualified facility, plus

1 “(B) 20 percent of the qualified invest-
2 ment for such taxable year with respect to
3 qualified carbon capture and sequestration
4 equipment.

5 “(2) CLEAN ENERGY PERCENTAGE.—

6 “(A) IN GENERAL.—

7 “(i) MAXIMUM PERCENTAGE.—Except
8 as provided in clause (ii), the clean energy
9 percentage is 20 percent.

10 “(ii) REDUCTION OF PERCENTAGE
11 BASED ON GREENHOUSE GAS EMISSIONS
12 RATE.—The clean energy percentage shall
13 be reduced (but not below zero) by an
14 amount which bears the same ratio to the
15 amount in effect under clause (i) as the
16 anticipated greenhouse gas emissions rate
17 for the qualified facility bears to 372
18 grams of CO₂e per KWh.

19 “(B) ROUNDING.—If any amount deter-
20 mined under subparagraph (A)(ii) is not a mul-
21 tiple of 1 percent, such amount shall be round-
22 ed to the nearest multiple of 1 percent.

23 “(3) COORDINATION WITH REHABILITATION
24 CREDIT.—The clean energy percentage shall not
25 apply to that portion of the basis of any property

1 which is attributable to qualified rehabilitation ex-
2 penditures.

3 “(b) QUALIFIED INVESTMENT WITH RESPECT TO
4 ANY QUALIFIED FACILITY.—

5 “(1) IN GENERAL.—For purposes of subsection
6 (a)(1)(A), the qualified investment with respect to
7 any qualified facility for any taxable year is the
8 basis of any qualified property placed in service by
9 the taxpayer during such taxable year which is part
10 of a qualified facility.

11 “(2) QUALIFIED PROPERTY.—The term ‘quali-
12 fied property’ means property—

13 “(A) which is—

14 “(i) tangible personal property, or

15 “(ii) other tangible property (not in-
16 cluding a building or its structural compo-
17 nents), but only if such property is used as
18 an integral part of the qualified facility,

19 “(B) with respect to which depreciation (or
20 amortization in lieu of depreciation) is allow-
21 able,

22 “(C) which is constructed, reconstructed,
23 erected, or acquired by the taxpayer, and

24 “(D) the original use of which commences
25 with the taxpayer.

1 “(3) QUALIFIED FACILITY.—The term ‘quali-
2 fied facility’ has the same meaning given such term
3 by section 45S(e)(3) (without regard to subpara-
4 graphs (B) and (D) thereof).

5 “(c) QUALIFIED INVESTMENT WITH RESPECT TO
6 QUALIFIED CARBON CAPTURE AND SEQUESTRATION
7 EQUIPMENT.—

8 “(1) IN GENERAL.—For purposes of subsection
9 (a)(1)(B), the qualified investment with respect to
10 qualified carbon capture and sequestration equip-
11 ment for any taxable year is the basis of any quali-
12 fied carbon capture and sequestration equipment
13 placed in service by the taxpayer during such taxable
14 year.

15 “(2) QUALIFIED CARBON CAPTURE AND SE-
16 QUESTRATION EQUIPMENT.—The term ‘qualified
17 carbon capture and sequestration equipment’ means
18 equipment—

19 “(A) installed in a facility placed in service
20 before January 1, 2017, which produces elec-
21 tricity,

22 “(B) which results in at least a 50 percent
23 reduction in the carbon dioxide emissions rate
24 at the facility, as compared to such rate before
25 installation of such equipment, through the cap-

1 ture and disposal of qualified carbon dioxide (as
2 defined in paragraph (3)(A)),

3 “(C) with respect to which depreciation is
4 allowable,

5 “(D) which is constructed, reconstructed,
6 erected, or acquired by the taxpayer, and

7 “(E) the original use of which commences
8 with the taxpayer.

9 “(3) QUALIFIED CARBON DIOXIDE.—

10 “(A) IN GENERAL.—The term ‘qualified
11 carbon dioxide’ means carbon dioxide captured
12 from an industrial source which—

13 “(i) would otherwise be released into
14 the atmosphere as industrial emission of
15 greenhouse gas,

16 “(ii) is measured at the source of cap-
17 ture and verified at the point of disposal or
18 injection,

19 “(iii) is disposed of by the taxpayer in
20 secure geological storage, and

21 “(iv) is captured and disposed of with-
22 in the United States (within the meaning
23 of section 638(1)) or a possession of the
24 United States (within the meaning of sec-
25 tion 638(2)).

1 “(B) SECURE GEOLOGICAL STORAGE.—

2 The term ‘secure geological storage’ has the
3 same meaning given to such term under section
4 45Q(d)(2).

5 “(d) GREENHOUSE GAS EMISSIONS RATE.—For pur-
6 poses of this section, the term ‘greenhouse gas emissions
7 rate’ has the same meaning given such term under sub-
8 section (b) of section 45S.

9 “(e) CERTAIN PROGRESS EXPENDITURE RULES
10 MADE APPLICABLE.—Rules similar to the rules of sub-
11 section (c)(4) and (d) of section 46 (as in effect on the
12 day before the date of the enactment of the Revenue Rec-
13 onciliation Act of 1990) shall apply for purposes of sub-
14 section (a).

15 “(f) CREDIT PHASE-OUT.—

16 “(1) IN GENERAL.—If the Secretary, in con-
17 sultation with the Secretary of Energy and the Ad-
18 ministrator of the Environmental Protection Agency,
19 determines that the annual average greenhouse gas
20 emissions rate for electrical production in the United
21 States is equal to or less than 372 grams of CO₂e
22 per KWh, the amount of the clean energy invest-
23 ment credit under subsection (a) for any qualified
24 facility or qualified carbon capture and sequestration
25 equipment placed in service during a calendar year

1 described in paragraph (2) shall be equal to the
2 product of—

3 “(A) the amount of the credit determined
4 under subsection (a) without regard to this sub-
5 section, multiplied by

6 “(B) the phase-out percentage under para-
7 graph (2).

8 “(2) PHASE-OUT PERCENTAGE.—The phase-out
9 percentage under this paragraph is equal to—

10 “(A) for a facility placed in service during
11 the first calendar year following the calendar
12 year in which the determination described in
13 paragraph (1) is made, 75 percent,

14 “(B) for a facility placed in service during
15 the second calendar year following such deter-
16 mination year, 50 percent,

17 “(C) for a facility placed in service during
18 the third calendar year following such deter-
19 mination year, 25 percent, and

20 “(D) for a facility placed in service during
21 any calendar year subsequent to the year de-
22 scribed in subparagraph (C), 0 percent.

23 “(g) DEFINITIONS.—In this section:

1 “(1) CO₂e PER KWh.—The term ‘CO₂e per
2 KWh’ has the same meaning given such term under
3 section 45S(e)(1).

4 “(2) GREENHOUSE GAS.—The term ‘greenhouse
5 gas’ has the same meaning given such term under
6 section 45S(e)(2).

7 “(h) RECAPTURE OF CREDIT.—For purposes of sec-
8 tion 50, if the Administrator of the Environmental Protec-
9 tion Agency determines that—

10 “(1) the greenhouse gas emissions rate for a
11 qualified facility is significantly higher than the an-
12 ticipated greenhouse gas emissions rate claimed by
13 the taxpayer for purposes of the clean energy invest-
14 ment credit under this section, or

15 “(2) with respect to any qualified carbon cap-
16 ture and sequestration equipment installed in a facil-
17 ity, the carbon dioxide emissions from such facility
18 cease to be captured or disposed of in a manner con-
19 sistent with the requirements of subsection (c),

20 the facility or equipment shall cease to be investment cred-
21 it property in the taxable year in which the determination
22 is made.

23 “(i) FINAL GUIDANCE.—Not later than January 1,
24 2016, the Secretary, in consultation with the Adminis-
25 trator of the Environmental Protection Agency, shall issue

1 final guidance regarding implementation of this section,
2 including calculation of greenhouse gas emission rates for
3 qualified facilities and determination of clean energy in-
4 vestment credits under this section.”.

5 (b) CONFORMING AMENDMENTS.—

6 (1) Section 46 is amended by inserting a
7 comma at the end of paragraph (4), by striking
8 “and” at the end of paragraph (5), by striking the
9 period at the end of paragraph (6) and inserting “,
10 and”, and by adding at the end the following new
11 paragraph:

12 “(7) the clean energy investment credit.”.

13 (2) Section 49(a)(1)(C) is amended by striking
14 “and” at the end of clause (v), by striking the pe-
15 riod at the end of clause (vi) and inserting a comma,
16 and by adding at the end the following new clauses:

17 “(vii) the basis of any qualified prop-
18 erty which is part of a qualified facility
19 under section 48E, and

20 “(viii) the basis of any qualified car-
21 bon capture and sequestration equipment
22 under section 48E.”.

23 (3) Section 50(a)(2)(E) is amended by inserting
24 “or 48E(e)” after “section 48(b)”.

1 (4) The table of sections for subpart E of part
2 IV of subchapter A of chapter 1 is amended by in-
3 serting after the item relating to section 48D the
4 following new item:

“48E. Clean energy investment credit.”.

5 (c) EFFECTIVE DATE.—The amendments made by
6 this section shall apply to property placed in service after
7 December 31, 2016, under rules similar to the rules of
8 section 48(m) of the Internal Revenue Code of 1986 (as
9 in effect on the day before the date of the enactment of
10 the Revenue Reconciliation Act of 1990).

11 **SEC. __03. EXTENSIONS, MODIFICATIONS, AND REPEALS OF**
12 **VARIOUS ENERGY PROVISIONS.**

13 (a) ELECTRICITY PRODUCED FROM CERTAIN RE-
14 NEWABLE RESOURCES.—Section 45 is amended—

15 (1) in subsection (d)—

16 (A) in paragraph (1), by striking “the con-
17 struction of which begins before January 1,
18 2014” and inserting “before January 1, 2017”,

19 (B) in paragraph (2)(A)—

20 (i) in clause (i), by striking “the con-
21 struction of which begins before January
22 1, 2014” and inserting “before January 1,
23 2017”,

24 (ii) in clause (ii), by striking “2014”
25 and inserting “2017”, and

1 (iii) by striking the last sentence,
2 (C) in paragraph (3)—
3 (i) in subparagraph (A)—
4 (I) in clause (i)(I), by striking
5 “the construction of which begins be-
6 fore January 1, 2014” and inserting
7 “before January 1, 2017”, and
8 (II) in clause (ii), by striking
9 “the construction of which begins be-
10 fore January 1, 2014” and inserting
11 “is originally placed in service before
12 January 1, 2017”, and
13 (ii) in subparagraph (B), by inserting
14 “and before January 1, 2017,” after “the
15 date of the enactment of this subpara-
16 graph”,
17 (D) in paragraph (4)(B), by striking “the
18 construction of which begins before January 1,
19 2014” and inserting “is placed in service before
20 January 1, 2017”,
21 (E) in paragraph (6), by striking “the con-
22 struction of which begins before January 1,
23 2014” and inserting “before January 1, 2017”,

1 (F) in paragraph (7), by striking “the con-
2 struction of which begins before January 1,
3 2014” and inserting “before January 1, 2017”,

4 (G) in paragraph (9)—

5 (i) in subparagraph (A)—

6 (I) in clause (i), by striking
7 “2014” and inserting “2017”, and

8 (II) in clause (ii), by striking
9 “the construction of which begins be-
10 fore January 1, 2014” and inserting
11 “before January 1, 2017”, and

12 (ii) by striking subparagraph (C), and
13 (H) in paragraph (11)(B), by striking “the
14 construction of which begins before January 1,
15 2014” and inserting “before January 1, 2017”.

16 (b) CREDIT FOR PRODUCTION FROM ADVANCED NU-
17 CLEAR POWER FACILITIES.—Section 45J(d)(1)(B) is
18 amended by striking “2021” and inserting “2017”.

19 (c) CREDIT FOR CARBON DIOXIDE SEQUESTRA-
20 TION.—Section 45Q(c) is amended—

21 (1) in paragraph (2), by striking “and” at the
22 end,

23 (2) in paragraph (3), by striking the period at
24 the end and inserting “, and”, and

1 (3) by adding at the end the following new
2 paragraph:

3 “(4) which is placed in service before January
4 1, 2017.”.

5 (d) ENERGY CREDIT.—Section 48(a) is amended—

6 (1) in paragraph (3)(A)—

7 (A) in clause (i), by inserting “but only
8 with respect to periods ending before January
9 1, 2017,” after “swimming pool,” and

10 (B) in clause (iii), by inserting “with re-
11 spect to periods ending before January 1, 2017,
12 and” after “but only”, and

13 (2) in paragraph (5)(C)(ii), by striking “the
14 construction of which begins before January 1,
15 2014” and inserting “before January 1, 2017”.

16 (e) QUALIFYING ADVANCED COAL PROJECT CRED-
17 IT.—Section 48A is amended by adding at the end the
18 following new subsection:

19 “(j) TERMINATION.—No credit shall be allowed
20 under this section with respect to any period after Decem-
21 ber 31, 2016.”.

22 (f) QUALIFYING GASIFICATION PROJECT CREDIT.—
23 Section 48B is amended by adding at the end the following
24 new subsection:

1 “(g) TERMINATION.—No credit shall be allowed
2 under this section with respect to any period after Decem-
3 ber 31, 2016.”.

4 (g) QUALIFYING ADVANCED ENERGY PROJECT
5 CREDIT.—Section 48C is amended by adding at the end
6 the following new subsection:

7 “(f) TERMINATION.—No credit shall be allowed
8 under this section with respect to any period after Decem-
9 ber 31, 2016.”.

10 (h) NEW CLEAN RENEWABLE ENERGY BONDS.—
11 Section 54C(a)(2) is amended by inserting “before Janu-
12 ary 1, 2017” after “qualified issuer”.

13 (i) QUALIFIED ENERGY CONSERVATION BONDS.—
14 Section 54D(a)(2) is amended by inserting “before Janu-
15 ary 1, 2017” after “local government”.

16 **Subtitle B—Clean Fuel Tax Credits**

17 **SEC. __11. CLEAN FUEL PRODUCTION CREDIT.**

18 (a) IN GENERAL.—Subpart D of part IV of sub-
19 chapter A of chapter 1, as amended by section __01, is
20 amended by adding at the end the following new section:

21 **“SEC. 45T. CLEAN FUEL PRODUCTION CREDIT.**

22 “(a) AMOUNT OF CREDIT.—

23 “(1) IN GENERAL.—For purposes of section 38,
24 the clean fuel production credit for any taxable year
25 is an amount equal to the product of—

1 “(A) \$1.00,

2 “(B) the total number of gallons of trans-
3 portation fuel—

4 “(i) produced by the taxpayer at a
5 qualified facility, and

6 “(ii) sold or used by the taxpayer in
7 a manner described in paragraph (2),

8 “(C) the BTU factor for such fuel (as de-
9 termined under subsection (b)(1)), and

10 “(D) the emissions factor for such fuel (as
11 determined under subsection (b)(2)).

12 “(2) SALE OR USE.—For purposes of para-
13 graph (1)(B)(ii), the transportation fuel is sold or
14 used in a manner described in this paragraph if such
15 fuel is—

16 “(A) sold by the taxpayer to an unrelated
17 person—

18 “(i) for use by such person in the pro-
19 duction of a fuel mixture that will be used
20 as a transportation fuel,

21 “(ii) for use by such person as a
22 transportation fuel in a trade or business,
23 or

1 “(iii) who sells such fuel at retail to
2 another person and places such fuel in the
3 fuel tank of such other person, or

4 “(B) used or sold by the taxpayer for any
5 purpose described in subparagraph (A).

6 “(3) ROUNDING.—If any amount determined
7 under paragraph (1) is not a multiple of 0.1 cent,
8 such amount shall be rounded to the nearest mul-
9 tiple of 0.1 cent.

10 “(b) BTU AND EMISSIONS FACTORS.—

11 “(1) BTU FACTOR.—

12 “(A) IN GENERAL.—The BTU factor of a
13 transportation fuel shall be an amount equal to
14 the quotient of—

15 “(i) an amount equal to the total
16 BTU per gallon of such fuel, divided by

17 “(ii) 115,000.

18 “(B) ROUNDING.—If any amount deter-
19 mined under subparagraph (A) is not a multiple
20 of 0.001, such amount shall be rounded to the
21 nearest multiple of 0.001.

22 “(2) EMISSIONS FACTOR.—

23 “(A) IN GENERAL.—The emissions factor
24 of a transportation fuel shall be an amount
25 equal to the quotient of—

1 “(i) an amount (not less than zero)
2 equal to —
3 “(I) 77.23, minus
4 “(II) the emissions rate for such
5 fuel, divided by
6 “(ii) 77.23.

7 “(B) ESTABLISHMENT OF EMISSIONS
8 RATE.—The Secretary, in consultation with the
9 Administrator of the Environmental Protection
10 Agency, shall establish the emissions rate of a
11 transportation fuel based on the amount of
12 lifecycle greenhouse gas emissions (as described
13 in section 211(o)(1)(H) of the Clean Air Act
14 (42 U.S.C. 7545(o)(1)(H)), as in effect on the
15 date of the enactment of this section) for such
16 fuel, expressed as kilograms of CO₂e per
17 mmBTU.

18 “(C) ROUNDING OF EMISSIONS RATE.—
19 The Secretary may round the emissions rates
20 under subparagraph (B) to the nearest multiple
21 of 7.723 kilograms of CO₂e per mmBTU, ex-
22 cept that, in the case of an emissions rate that
23 is less than 3.862 kilograms of CO₂e per
24 mmBTU, the Secretary may round such rate to
25 zero.

1 “(D) PROVISIONAL EMISSIONS RATE.—

2 “ (i) IN GENERAL.—In the case of any
3 transportation fuel for which an emissions
4 rate has not been established by the Sec-
5 retary, a taxpayer producing such fuel may
6 file a petition with the Secretary for deter-
7 mination of the emissions rate with respect
8 to such fuel.

9 “ (ii) ESTABLISHMENT OF PROVI-
10 SIONAL AND FINAL EMISSIONS RATE.—In
11 the case of a transportation fuel for which
12 a petition described in clause (i) has been
13 filed, the Secretary, in consultation with
14 the Administrator of the Environmental
15 Protection Agency, shall—

16 “ (I) not later than 12 months
17 after the date on which the petition
18 was filed, provide a provisional emis-
19 sions rate for such fuel which a tax-
20 payer may use for purposes of this
21 section, and

22 “ (II) not later than 24 months
23 after the date on which the petition
24 was filed, establish the emissions rate
25 for such fuel.

1 “(E) ROUNDING.—If any amount deter-
2 mined under subparagraph (A) is not a multiple
3 of 0.1, such amount shall be rounded to the
4 nearest multiple of 0.1.

5 “(3) PUBLISHING BTU FACTOR AND EMISSIONS
6 RATE.—The Secretary, in consultation with the Ad-
7 ministrators of the Environmental Protection Agency,
8 shall publish a table that sets forth the BTU factor
9 and emissions rate (as established pursuant to para-
10 graph (2)) for types and categories of transportation
11 fuels.

12 “(c) INFLATION ADJUSTMENT.—

13 “(1) IN GENERAL.—In the case of calendar
14 years beginning after 2017, the \$1.00 amount in
15 subsection (a)(1)(A) shall be adjusted by multiplying
16 such amount by the inflation adjustment factor for
17 the calendar year in which the sale or use of the
18 transportation fuel occurs. If any amount as in-
19 creased under the preceding sentence is not a mul-
20 tiple of 1 cent, such amount shall be rounded to the
21 nearest multiple of 1 cent.

22 “(2) INFLATION ADJUSTMENT FACTOR.—For
23 purposes of paragraph (1), the inflation adjustment
24 factor shall be the inflation adjustment factor deter-
25 mined and published by the Secretary pursuant to

1 section 45S(c), determined by substituting ‘calendar
2 year 2016’ for ‘calendar year 1992’ in paragraph (3)
3 thereof.

4 “(d) CREDIT PHASE-OUT.—

5 “(1) IN GENERAL.—If the Secretary, in con-
6 sultation with the Secretary of Energy and the Ad-
7 ministrator of the Environmental Protection Agency,
8 determines that the average emissions rate (as de-
9 termined under subsection (b)(2)(B)) for the total
10 amount of transportation fuel produced and sold at
11 retail annually in the United States is less than
12 77.23 kilograms of CO₂e per mmBTU, the amount
13 of the clean fuel production credit under this section
14 for any qualified facility placed in service during a
15 calendar year described in paragraph (2) shall be
16 equal to the product of—

17 “(A) the amount of the credit determined
18 under subsection (a) without regard to this sub-
19 section, multiplied by

20 “(B) the phase-out percentage under para-
21 graph (2).

22 “(2) PHASE-OUT PERCENTAGE.—The phase-out
23 percentage under this paragraph is equal to—

24 “(A) for a facility placed in service during
25 the first calendar year following the calendar

1 year in which the determination described in
2 paragraph (1) is made, 75 percent,

3 “(B) for a facility placed in service during
4 the second calendar year following such deter-
5 mination year, 50 percent,

6 “(C) for a facility placed in service during
7 the third calendar year following such deter-
8 mination year, 25 percent, and

9 “(D) for a facility placed in service during
10 any calendar year subsequent to the year de-
11 scribed in subparagraph (C), 0 percent.

12 “(e) DEFINITIONS.—In this section:

13 “(1) BTU; mMBTU.—The terms ‘BTU’ and
14 ‘mMBTU’ mean British thermal unit and 1,000,000
15 British thermal units, respectively.

16 “(2) CO₂e.—The term ‘CO₂e’ means, with re-
17 spect to any greenhouse gas, the equivalent carbon
18 dioxide.

19 “(3) GREENHOUSE GAS.—The term ‘greenhouse
20 gas’ has the same meaning given that term under
21 section 211(o)(1)(G) of the Clean Air Act (42
22 U.S.C. 7545(o)(1)(G)), as in effect on the date of
23 the enactment of this section.

24 “(4) QUALIFIED FACILITY.—

1 “(A) IN GENERAL.—Subject to subpara-
2 graphs (B) and (C), the term ‘qualified facility’
3 means a facility used for the production of
4 transportation fuels.

5 “(B) 10-YEAR PRODUCTION CREDIT.—For
6 purposes of this section, a facility shall only
7 qualify as a qualified facility for the 10-year pe-
8 riod beginning on the date the facility is origi-
9 nally placed in service (or, if less, the portion
10 of such 10-year period occurring after Decem-
11 ber 31, 2016).

12 “(C) COORDINATION WITH CLEAN FUEL
13 INVESTMENT CREDIT.—The term ‘qualified fa-
14 cility’ shall not include any facility for which a
15 credit is determined under section 48F for the
16 taxable year or any prior taxable year.

17 “(5) TRANSPORTATION FUEL.—The term
18 ‘transportation fuel’ means a fuel which is suitable
19 for use as a fuel in a highway vehicle or aircraft.

20 “(f) FINAL GUIDANCE.—Not later than January 1,
21 2016, the Secretary, in consultation with the Adminis-
22 trator of the Environmental Protection Agency, shall issue
23 final guidance regarding implementation of this section,
24 including calculation of BTU and emissions factors for
25 transportation fuel, the table described in subsection

1 (b)(3), and the determination of clean fuel production
2 credits under this section.

3 “(g) SPECIAL RULES.—

4 “(1) ONLY REGISTERED PRODUCTION AND USE
5 IN THE UNITED STATES TAKEN INTO ACCOUNT.—

6 “(A) IN GENERAL.—No clean fuel produc-
7 tion credit shall be determined under subsection
8 (a) with respect to any transportation fuel un-
9 less—

10 “(i) the taxpayer is registered as a
11 producer of clean fuel under section 4101
12 at the time of production, and

13 “(ii) such fuel is produced in the
14 United States and used as a fuel in the
15 United States.

16 “(B) UNITED STATES.—For purposes of
17 this paragraph, the term ‘United States’ in-
18 cludes any possession of the United States.

19 “(2) PRODUCTION ATTRIBUTABLE TO THE TAX-
20 PAYER.—In the case of a facility in which more than
21 1 person has an ownership interest, except to the ex-
22 tent provided in regulations prescribed by the Sec-
23 retary, production from the facility shall be allocated
24 among such persons in proportion to their respective

1 ownership interests in the gross sales from such fa-
2 cility.

3 “(3) RELATED PERSONS.—Persons shall be
4 treated as related to each other if such persons
5 would be treated as a single employer under the reg-
6 ulations prescribed under section 52(b). In the case
7 of a corporation which is a member of an affiliated
8 group of corporations filing a consolidated return,
9 such corporation shall be treated as selling fuel to
10 an unrelated person if such fuel is sold to such a
11 person by another member of such group.

12 “(4) PASS-THRU IN THE CASE OF ESTATES AND
13 TRUSTS.—Under regulations prescribed by the Sec-
14 retary, rules similar to the rules of subsection (d) of
15 section 52 shall apply.

16 “(5) ALLOCATION OF CREDIT TO PATRONS OF
17 AGRICULTURAL COOPERATIVE.—

18 “(A) ELECTION TO ALLOCATE.—

19 “(i) IN GENERAL.—In the case of an
20 eligible cooperative organization, any por-
21 tion of the credit determined under sub-
22 section (a) for the taxable year may, at the
23 election of the organization, be apportioned
24 among patrons of the organization on the

1 basis of the amount of business done by
2 the patrons during the taxable year.

3 “(ii) FORM AND EFFECT OF ELEC-
4 TION.—An election under clause (i) for any
5 taxable year shall be made on a timely
6 filed return for such year. Such election,
7 once made, shall be irrevocable for such
8 taxable year. Such election shall not take
9 effect unless the organization designates
10 the apportionment as such in a written no-
11 tice mailed to its patrons during the pay-
12 ment period described in section 1382(d).

13 “(B) TREATMENT OF ORGANIZATIONS AND
14 PATRONS.—The amount of the credit appor-
15 tioned to any patrons under subparagraph
16 (A)—

17 “(i) shall not be included in the
18 amount determined under subsection (a)
19 with respect to the organization for the
20 taxable year, and

21 “(ii) shall be included in the amount
22 determined under subsection (a) for the
23 first taxable year of each patron ending on
24 or after the last day of the payment period
25 (as defined in section 1382(d)) for the tax-

1 able year of the organization or, if earlier,
2 for the taxable year of each patron ending
3 on or after the date on which the patron
4 receives notice from the cooperative of the
5 apportionment.

6 “(C) SPECIAL RULES FOR DECREASE IN
7 CREDITS FOR TAXABLE YEAR.—If the amount
8 of the credit of a cooperative organization de-
9 termined under subsection (a) for a taxable
10 year is less than the amount of such credit
11 shown on the return of the cooperative organi-
12 zation for such year, an amount equal to the
13 excess of—

14 “(i) such reduction, over

15 “(ii) the amount not apportioned to
16 such patrons under subparagraph (A) for
17 the taxable year,

18 shall be treated as an increase in tax imposed
19 by this chapter on the organization. Such in-
20 crease shall not be treated as tax imposed by
21 this chapter for purposes of determining the
22 amount of any credit under this chapter.

23 “(D) ELIGIBLE COOPERATIVE DEFINED.—
24 For purposes of this section the term ‘eligible
25 cooperative’ means a cooperative organization

1 described in section 1381(a) which is owned
2 more than 50 percent by agricultural producers
3 or by entities owned by agricultural producers.
4 For this purpose an entity owned by an agricul-
5 tural producer is one that is more than 50 per-
6 cent owned by agricultural producers.”.

7 (b) CONFORMING AMENDMENTS.—

8 (1) Section 38(b), as amended by section __01,
9 is amended—

10 (A) in paragraph (36), by striking “plus”
11 at the end,

12 (B) in paragraph (37), by striking the pe-
13 riod at the end and inserting “, plus”, and

14 (C) by adding at the end the following new
15 paragraph:

16 “(38) the clean fuel production credit.”.

17 (2) The table of sections for subpart D of part
18 IV of subchapter A of chapter 1, as amended by sec-
19 tion __01, is amended by adding at the end the fol-
20 lowing new item:

“Sec. 45T. Clean fuel production credit.”.

21 (3) Section 4101(a)(1) is amended by inserting
22 “every person producing a fuel eligible for the clean
23 fuel production credit (pursuant to section 45T),”
24 after “section 6426(b)(4)(A),”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to transportation fuel produced
3 after December 31, 2016.

4 **SEC. __12. CLEAN FUEL INVESTMENT CREDIT.**

5 (a) IN GENERAL.—Subpart E of part IV of sub-
6 chapter A of chapter 1, as amended by section __02, is
7 amended by inserting after section 48E the following new
8 section:

9 **“SEC. 48F. CLEAN FUEL INVESTMENT CREDIT.**

10 “(a) INVESTMENT CREDIT FOR QUALIFIED PROP-
11 erty.—

12 “(1) IN GENERAL.—For purposes of section 46,
13 the clean fuel investment credit for any taxable year
14 is equal to the clean fuel percentage of the qualified
15 investment for such taxable year with respect to any
16 qualified facility.

17 “(2) CLEAN FUEL PERCENTAGE.—

18 “(A) IN GENERAL.—For purposes of para-
19 graph (1), the clean fuel percentage is equal to
20 the product of—

21 “(i) 20 percent,

22 “(ii) the BTU factor for the transpor-
23 tation fuel produced by the taxpayer at the
24 qualified facility (as determined under
25 paragraph (3)), and

1 “(iii) the emissions factor for such
2 fuel (as determined under paragraph (4)).

3 “(B) ROUNDING.—If any clean fuel per-
4 centage determined under this paragraph is not
5 a multiple of 1 percent, such amount shall be
6 rounded to the nearest multiple of 1 percent.

7 “(b) QUALIFIED INVESTMENT WITH RESPECT TO
8 ANY QUALIFIED FACILITY.—

9 “(1) IN GENERAL.—For purposes of subsection
10 (a)(1), the qualified investment with respect to any
11 qualified facility for any taxable year is the basis of
12 any qualified property placed in service by the tax-
13 payer during such taxable year which is part of a
14 qualified facility.

15 “(2) QUALIFIED PROPERTY.—The term ‘quali-
16 fied property’ has the same meaning given such
17 term under section 48E(b)(2).

18 “(3) QUALIFIED FACILITY.—The term ‘quali-
19 fied facility’ has the same meaning given such term
20 under section 45T(e)(4) (without regard to subpara-
21 graphs (B) and (C) thereof).

22 “(c) BTU AND EMISSIONS FACTORS.—For purposes
23 of this section, the BTU factor and emissions factor of
24 a transportation fuel shall be determined in the same man-
25 ner as under section 45T(b).

1 “(d) CERTAIN PROGRESS EXPENDITURE RULES
2 MADE APPLICABLE.—Rules similar to the rules of sub-
3 section (c)(4) and (d) of section 46 (as in effect on the
4 day before the date of the enactment of the Revenue Rec-
5 onciliation Act of 1990) shall apply for purposes of sub-
6 section (a).

7 “(e) CREDIT PHASE-OUT.—

8 “(1) IN GENERAL.—If the Secretary, in con-
9 sultation with the Secretary of Energy and the Ad-
10 ministrator of the Environmental Protection Agency,
11 determines that the average emissions rate of the
12 total amount of transportation fuel produced and
13 sold at retail annually in the United States is less
14 than 77.23 kilograms of CO_{2e} per mmBTU, the
15 amount of the clean fuel investment credit under
16 this section for any qualified facility placed in serv-
17 ice during a calendar year described in paragraph
18 (2) shall be equal to the product of—

19 “(A) the amount of the credit determined
20 under subsection (a) without regard to this sub-
21 section, multiplied by

22 “(B) the phase-out percentage under para-
23 graph (2).

24 “(2) PHASE-OUT PERCENTAGE.—The phase-out
25 percentage under this paragraph is equal to—

1 “(A) for a facility placed in service during
2 the first calendar year following the calendar
3 year in which the determination described in
4 paragraph (1) is made, 75 percent,

5 “(B) for a facility placed in service during
6 the second calendar year following such deter-
7 mination year, 50 percent,

8 “(C) for a facility placed in service during
9 the third calendar year following such deter-
10 mination year, 25 percent, and

11 “(D) for a facility placed in service during
12 any calendar year subsequent to the year de-
13 scribed in subparagraph (C), 0 percent.

14 “(f) DEFINITIONS.—In this section, the terms ‘BTU’,
15 ‘mmBTU’, ‘CO₂e’, and ‘transportation fuel’ have the same
16 meaning given such terms under section 45T(e).

17 “(g) RECAPTURE OF CREDIT FOR SIGNIFICANTLY
18 LOWER BTU OR EMISSIONS FACTOR.—For purposes of
19 section 50, if the Administrator of the Environmental Pro-
20 tection Agency determines that the BTU factor or emis-
21 sions factor for transportation fuel produced at a qualified
22 facility is significantly lower than the BTU factor or emis-
23 sions factor claimed by the taxpayer for purposes of the
24 clean fuel investment credit under this section, then the

1 facility shall cease to be investment credit property in the
2 taxable year in which the determination is made.

3 “(h) GUIDANCE.—Not later than January 1, 2016,
4 the Secretary, in consultation with the Administrator of
5 the Environmental Protection Agency, shall issue a final
6 guidance document regarding implementation of this sec-
7 tion, which shall include calculation of BTU and emissions
8 factors for transportation fuel and determination of clean
9 fuel production credits under this section.”.

10 (b) CONFORMING AMENDMENTS.—

11 (1) Section 46, as amended by section __02, is
12 amended by inserting a comma at the end of para-
13 graph (5), by striking “and” at the end of para-
14 graph (6), by striking the period at the end of para-
15 graph (7) and inserting “, and”, and by adding at
16 the end the following new paragraph:

17 “(8) the clean fuel investment credit.”.

18 (2) Section 49(a)(1)(C), as amended by section
19 __02, is amended by striking “and” at the end of
20 clause (vi), by striking the period at the end of
21 clause (vii) and inserting “, and”, and by adding at
22 the end the following new clause:

23 “(viii) the basis of any qualified facil-
24 ity under section 48F.”.

1 (3) Section 50(a)(2)(E), as amended by section
2 __02, is amended by striking “or 48E(e)” and in-
3 serting “48E(e), or 48F(d)”.

4 (4) The table of sections for subpart E of part
5 IV of subchapter A of chapter 1, as amended by sec-
6 tion __02, is amended by inserting after the item re-
7 lating to section 48E the following new item:

“48F. Clean fuel investment credit.”.

8 (c) EFFECTIVE DATE.—The amendments made by
9 this section shall apply to property placed in service after
10 December 31, 2016, under rules similar to the rules of
11 section 48(m) of the Internal Revenue Code of 1986 (as
12 in effect on the day before the date of the enactment of
13 the Revenue Reconciliation Act of 1990).

14 **SEC. __13. TEMPORARY EXTENSION OF EXISTING FUEL IN-**
15 **CENTIVES.**

16 (a) SECOND GENERATION BIOFUEL PRODUCER
17 CREDIT.—Section 40(b)(6) is amended—

18 (1) in subparagraph (E)(i)—

19 (A) in subclause (I), by striking “and” at
20 the end,

21 (B) in subclause (II), by striking the pe-
22 riod at the end and inserting “, and”, and

23 (C) by inserting at the end the following
24 new subclause:

1 “(III) qualifies as a transpor-
2 tation fuel (as defined in section
3 45T(e)(5)).”.

4 (2) in subparagraph (J)(i), by striking “2014”
5 and inserting “2017”.

6 (b) BIODIESEL AND RENEWABLE DIESEL USED AS
7 FUEL.—Section 40A is amended—

8 (1) in subsection (f)(3)(B), by striking “or
9 D396”, and

10 (2) in subsection (g), by striking “2013” and
11 inserting “2016”.

12 (c) CREDIT FOR BIODIESEL AND ALTERNATIVE
13 FUEL MIXTURES.—Section 6426 is amended—

14 (1) in subsection (c)(6), by striking “2013” and
15 inserting “2016”,

16 (2) in subsection (d)—

17 (A) in paragraph (1), by striking “motor
18 vehicle” and inserting “highway vehicle”, and

19 (B) in paragraph (5), by striking “Decem-
20 ber 31, 2013” and all that follows through the
21 period and inserting “December 31, 2016.”,
22 and

23 (3) in subsection (e), by amending paragraph
24 (3) to read as follows:

1 “(3) TERMINATION.—This subsection shall not
2 apply to any sale or use for any period after—

3 “(A) in the case of any alternative fuel
4 mixture sold or used by the taxpayer for the
5 purposes described in subsection (d)(1), Decem-
6 ber 31, 2016,

7 “(B) in the case of any sale or use involv-
8 ing liquefied hydrogen that is not for the pur-
9 poses described in subsection (d)(1), December
10 31, 2016, and

11 “(C) in the case of any sale or use not de-
12 scribed in subparagraph (A) or (B), December
13 31, 2013.”.

14 (d) BIODIESEL, BIODIESEL MIXTURES, AND ALTER-
15 NATIVE FUELS.—Section 6427(e)(6) is amended—

16 (1) in subparagraph (B), by striking “2013”
17 and inserting “2016”,

18 (2) in subparagraph (C), by striking “2013”
19 and inserting “2016”, and

20 (3) in subparagraph (D). by striking “Sep-
21 tember 30, 2014” and inserting “December 31,
22 2016”.

1 **SEC. 14. REPEAL OF OIL PRODUCTION INCENTIVES.**

2 (a) ENHANCED OIL RECOVERY CREDIT.—Section 43
3 is amended by adding at the end the following new sub-
4 section:

5 “(f) TERMINATION.—No credit shall be determined
6 under this section with respect to any costs paid or in-
7 curred after December 31, 2016.”.

8 (b) CREDIT FOR PRODUCING OIL AND GAS FROM
9 MARGINAL WELLS.—Section 45I is amended by adding
10 at the end the following new subsection:

11 “(e) TERMINATION.—No credit shall be determined
12 under this section with respect to any qualified crude oil
13 production or qualified natural gas production after De-
14 cember 31, 2016.”.