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FEDERAL ENERGY ADMINISTRATION

WASHINGTON, D.C. 20461

OFFICE OF THE ADMINISTRATOR

Honorable Harley O. Staggers Chairman Committee on Interstate and Foreign Commerce House of Representatives Washington, D. C. 20515

Dear Mr. Chairman:

As you know, your Committee is now marking up_H.R. 7014, the Energy Policy and Oil Conservation Act of 1975, which was reported recently by Chairman Dingell's Subcommittee on Energy and Power.

Despite the significant efforts by Chairman Dingell and Mr. Brown, the ranking minority member of that Subcommittee, H.R. 7014 contains many shortcomings which we have brought to the Subcommittee's attention and expect to discuss further as the bill is considered by the Congress.

Generally, too much emphasis is placed on the continuation of unnecessary and costly regulatory approaches to conserve and develop energy resources. H.R. 7014 fails to provide any authority for two of the key elements of a national energy program: Deregulation of new natural gas and the Clean Air Act amendments (under the jurisdiction of Chairman Rogers Subcommittee on Health and the Environment).

Some of the deficiencies we consider profound in nature, and since I am advised that some of the Committee members expressed unfamiliarity with the nature and extent of the Administration's opposition to some of the bill's provisions, I believe it will be helpful if I take this opportunity to restate them. There are four major problems that the Administration has with the bill in its present form:

Old Oil Decontrol

The most crucial single provision of H.R. 7014 provides for the eventual decontrol of domestically produced crude oil. As you know, in January the President proposed immediate



decontrol of domestic crude oil on April 1. The timing of the proposal was subsequently delayed at the request of the Congressional leadership to provide the Congress additional time in which to consider legislation on this subject. Since then, the President has further compromised his original objective and has proposed a phased decontrol of domestic crude oil over a two-year period. In my view, these departures from the President's original intention constitute very significant efforts to both accommodate the Congress as to timing and to make sure that the economic adjustments of decontrol will occur very gradually.

Section 301 of H.R. 7014, however, seeks to address this problem by a complicated provision which borrows from existing Executive Branch regulations, and conditions its effectiveness on enactment of complex tax legislation. This section would require substantially longer than two years to achieve complete decontrol, and, by being conditioned on enactment of separate windfall profits tax legislation, may never achieve this objective. The Nation sorely needs the conservation effects of decontrol now. Moreover, we need the incentive for added domestic production, and we must end the existing pervasive regulatory structure of the mandatory allocation program under the Emergency Petroleum Allocation To attain these objectives, it is crucial that any Act. legislation reported by your Committee include a forthright decontrol proposal that will complete a phased decontrol during the two years proposed by the President. Further, while I support a windfall profits tax in conjunction with decontrol, the one outlined in H.R. 7014 would be punitive and have an adverse effect on domestic oil production.

Standby Energy Emergency Authorities

I am further very concerned as to the conditions under which the President might use the emergency conservation and rationing authorities provided in Title II of H.R. 7014. As you know, these authorities are intended only to provide this country the means whereby we might cope with another acute emergency such as last year's embargo. In order that the United States might fulfill the obligations provided in the Agreement on an International Energy Program, we must have such authority in existence and available for immediate use in emergencies.

Under Section 201 of the bill, however, neither the emergency rationing authority nor the emergency conservation authority would be available to the Government until a particular plan

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for the carrying out of each authority is submitted to the Congress and actually approved by both Houses within 60 days. Thereafter, should an emergency occur requiring the implementation of an already approved plan, the authority would still be unavailable until a request for its use was submitted to the Congress and not disapproved by either House within 15 days.

As it is currently structured, this "authority" to deal with emergency situations is nothing more than an invitation to submit proposed emergency legislation. Recognizing the potential breadth of this type of authority, the Administration, in Title XIII of the Energy Independence Act of 1975, proposed stringently defined circumstances under which such authority might be exercised. The Administration further pledged, during hearings on this legislation, to cooperate with the Committee in making further improvements that would avoid any unnecessary or undesirable imprecision in the circumstances that would warrant the President actually exercising these authorities. In H.R. 7014, however, the Subcommittee has chosen instead to defer taking up these 'admittedly difficult questions, with the result that this bill provides no effective standby authority whatsoever:

Furthermore, section 211 of the bill, which would provide limited antitrust immunity for actions taken under voluntary agreements to carry out the international allocation of oil, is completely inadequate. The section contains such severe limitations on the scope of antitrust immunity that many companies will be unwilling to participate in any voluntary agreement, thus undercutting the entire framework for international allocation of oil under the IEP.

Extension of the Emergency Petroleum Allocation Act (EPAA)

H.R. 7014 would indefinitely extend the EPAA and would impose additional requirements on the administration of the price control and allocation program. It would condition actions to change prices or exempt products from mandatory allocation on a series of complex findings and submission to Congress, after which implementation would be subjected to a 15 day period for disapproval by either House of Congress. This would make it virtually impossible to modify the program to adjust to changing situations and would extend indefinitely these regulations long after they are prudent or necessary. Accordingly, this provision should be deleted and a standby emergency allocation authority should be included in Title II, Part A.

Mandated Gasoline Shortage

H.R. 7014 would require that gasoline consumption be restrained, for three years, to the same level as the 1973-74 base period, and would mandate a 2% to 4% reduction in that base unless the President finds such reduction to be contrary to the objectives of the EPAA. As such, it would create a pervasive gasoline shortage and would create gas lines similar to those we experienced two winters ago, as well as all of the problems that went with those lines. This provision should be deleted from the bill.

I do not mean to suggest that the four problem areas referred to above are the full extent of our concerns with this bill. Other significant problems with H.R. 7014 include:

National Civilian Strategic Petroleum Reserve

As you know, the Administration's proposal contemplated the use of oil from the Naval Petroleum Reserves (NPR), both in kind and by proceeds from sales which would be deposited into a Special Fund to be used for the development of both the military and civilian strategic reserves. Should those resources not be available, the Administration would have to reconsider the scope if its earlier recommendations. The potential absence of NPR oil is even more critical in the consideration of an Early Storage Reserve; and, while we support the concept of such an Early Storage Program, it is important that any such authority remain discretionary.

The extensive, cumbersome requirements for Congressional review including a veto override of specific storage program implementation plans will substantially delay any efforts to implement this important system and may prove unworkable. The Administration's proposal, I believe, is a much more practical and workable approach. Under this proposal, we would prepare and submit an implementation plan to the Congress. The Congress would then have every opportunity to exercise control over the program through the normal annual authorization and appropriation process. I strongly urge that you adopt the Administration proposal.

- 4 -

Mandatory Auto Fuel Efficiency Standards

H.R. 7014 provides for civil penalties on manufacturers of fuel inefficient autos. This program would provide, at best, only marginal energy savings over the voluntary program which the Administration is conducting with the auto manufacturers, and over the expenses and efforts these auto manufacturers are already making in response to higher fuel prices. Yet, it would legislate another economic regulatory program heading to further government involvement in the complex operations of the auto industry. This provision should therefore be deleted from the bill.

5

Exclusive Federal Oil Import Purchasing Authority

Granting of authority for the President to act as the exclusive purchasing agent of oil and petroleum products for use in the United States is a notion that rests on an untested and unsupported theoretical idea to weaken the OPEC cartel. There is no evidence that this would happen. It would be impossible for the Federal Government to become the exclusive purchasing agent for all types, grades, and quantities of petroleum without a massive paralysis of the Nation's energy system. It would lead to a major and unwarranted governmental intervention into complex markets. This provision should be deleted from the bill.

Authorities Relating to Refinery Operations Inventory Controls, MER Production, and Export Restrictions

These authorities provide wide latitude for Federal intervention into the detailed operations of the petroleum and allied industries. Such authorities may be needed in the event of a severe energy emergency, and should be authorized for use only on a standby basis.

Retroactive Small Refiner Exemption from Entitlements

This provision is an unwarranted subsidy to a small number of business concerns and should be deleted.

Coal Production Subsidies

H.R. 7014 provides for loan guarantees of up to \$750 million to small, underground, low sulfur coal mine operators. This will result in costly subsidies to inefficient operators and should be deleted.

Industrial Energy Conservation

The industrial conservation program in H.R. 7014 has several drawbacks. First, it involves the Federal Energy Administration in the detailed review of a company's operational decisionmaking regarding the mix and quality of fuels used and goods produced. Second, it underestimates the capability of industry to use energy more efficiently in response to higher energy prices. Finally, such a program could create pressures to make energy savings targets mandatory, thus leading to the economic distortions caused by another Federal regulatory program. Since FEA and the Department of Commerce already have underway a viable industrial energy conservation program, this provision is unnecessary and therefore should not be included in the bill.

Performance Standards for Appliance

Included in the appliance labeling provisions of H.R. 7014 is authority to institute a mandatory performance standards program for appliance manufacturers. We believe this authority to be unnecessary; it could result in pressures to implement another regulatory program of questionable marginal benefit, and therefore should not be included in the bill. Furthermore, FEA, as the lead Federal energy, should be given the policy lead for the overall labeling program, as reflected in a recent submission to the Subcommittee by the FEA, Department of Commerce, and Federal Trade Commission.

The concerns I have stated above are presented in the spirit of continued cooperation with the Congress in order to obtain enactment of workable, comprehensive legislation. My staff and I look forward to working with your Committee to achieve speedy enactment of energy legislation so badly needed by the American people.

Sincerely,

Frank G. Zarb Administrator

Union Calendar No. 105 ^{94TH CONGRESS} IST SESSION H. R. 6860

[Report No. 94-221]

IN THE HOUSE OF REPRESENTATIVES

MAY 9, 1975

Mr. ULLMAN introduced the following bill; which was referred to the Committee on Ways and Means

Млу 15, 1975

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in italic]

A BILL

To provide a comprehensive national energy conservation and conversion program.
1 Be it enacted by the Senate and House of Representa-

2 tives of the United States of America in Congress assembled,

3 SECTION 1. SHORT TITLE.

4 This Act may be cited as the "Energy Conservation and

5 Conversion Act of 1975": Conversion and Hilbert All Conversion

6 SEC. 2. TABLE OF CONTENTS.

I

Sec. 1. Short title.Sec. 2. Table of contents.Sec. 3. Amendment of 1954 Code.



TITLE I—IMPORT TREATMENT OF OIL

Sec. 101. Statement of purpose.

PART I-QUOTAS

Sec. 111. Imposition of quantitative restrictions. Sec. 112. Establishment of import licensing system.

PART II-DUTIES

Sec. 121. Rates of duty on oil.

PART III-ADMINISTRATIVE AND MISCELLANEOUS PROVISIONS

Sec. 131. Import restrictions and rates of duty to be reflected in the Tariff Schedules of the United States.

Sec. 132. Annual reports.

Sec. 133. Definitions.

PART IV-OFFICE OF PETROLEUM IMPORT LICENSING AND PURCHASING

Sec. 141. Establishment of office.

Sec. 142. Functions of the Deputy Administrator.

Sec. 143. Conforming amendment.

PART V AUTHORITY FOR FEDERAL PURCHASE AND SALE OF IMPORTS OF OIL

Sec. 151. Presidential determination of need for Federal purchase and sale of oil imports.

Sec. 152. Plan for system for the Federal purchase and sale of oil imports. Sec. 153. Congressional action with respect to proposed plans.

TITLE II-GASOLINE CONSERVATION PROGRAM

PART I-ENERGY CONSERVATION TAXES

Sec. 211. Gasoline conservation tax.

Sec. 212. Special motor vehicles fuels conservation taxes. Sec. 213. Floor stocks taxes; technical and conforming amendments.

PART II-CREDITS, ETC., RELATING TO ENERGY CONSERVATION TAXES

Sec. 221. Credit for personal use of gasoline.

Sec. 222. Credit for use of gasoline and special fuels in businesses or in work-related travel.

Sec. 223. Repayment of gasoline and special fuels conservation taxes in case of certain uses.

PART III—MISCELLANEOUS

Sec. 231. Technical amendments with respect to certain trust funds.

TITLE III-OTHER ENERGY CONSERVATION PROGRAMS

PART I-AUTOMOBILE FUEL EFFICIENCY TAX

Sec. 311. Automobile fuel efficiency tax.

PART II--INTERCITY BUSES, RADIAL TIRES, AND REREFINED OIL

Sec. 321. Repeal of excise tax on buses used in intercity public transportation.

Sec. 322. Repeal of excise tax on radial tires.

Sec. 323. Rerefined lubricating oil.

PART III-TAX INCENTIVES FOR CERTAIN ENERGY-RELATED IMPROVEMENTS OF BUILDINGS Sec. 331. Insulation of principal residence. Sec. 332. Residential solar energy equipment. TITLE IV-ENERGY CONSERVATION AND CONVERSION TRUST FUND Sec. 411. Establishment of Energy Conservation and Conversion Trust Fund. Sec. 412. Expenditures from Trust Fund for energy projects and programs. Sec. 413. Energy Conservation and Conversion Trust Fund Review Board. TITLE V-ENCOURAGING BUSINESS CONVERSION FOR **GREATER ENERGY SAVING** PART I-BUSINESS USE OF PETROLEUM AND PETROLEUM PRODUCTS Sec. 511. Excise tax on business use of petroleum and petroleum products. PART II-AMORTIZATION FOR CERTAIN ENERGY-RELATED PROPERTY Sec. 521. Amortization of qualified energy use property. Sec. 522. Amortization of qualified railroad equipment. Sec. 523. Amendments relating to amortization of certain railroad rolling stock. Sec. 524. Technical and conforming amendments. PART III-TAX CREDIT CHANGES RELATING TO ENERGY CONSERVATION Sec. 531. Changes in investment credit relating to insulation, solar energy, and air conditioning. Sec. 532. Generating facilities powered by petroleum and petroleum products. Sec. 533. Recycling tax credit. 1 SEC. 3. AMENDMENT OF 1954 CODE. $\mathbf{2}$ Except as otherwise expressly provided, whenever in 3 this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, 4 5 the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954. 6

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1TITLE I—IMPORT TREATMENT2OF OIL

3 SEC. 101. STATEMENT OF PURPOSE.

4 The purpose of this title is—

(1) to reduce the dependence of the United States 5on foreign oil by imposing restrictions on imports of 6 oil so as to reduce such imports as rapidly as practicable 7 without contributing to serious economic dislocation, 8 (2) to decrease imports of oil so that not later 9 than 1985 the amount of such imports should not ex-10 ceed 25 percent of the amount of domestic oil consump-11 tion, and 12

(3) to place the United States, as soon as practicable, in a position to deal with any oil embargo by
foreign nations through a combination of any strategic
reserve for oil which may be provided by law, other
available sources of oil, and economies in the domestic
consumption of oil which may be effectuated.

19 The purpose of this title is to be certain that oil conservation 20 which is obtained under this Act results in the reduction of 21 oil imports and not in the reduction of domestic oil produc-

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PART I-QUOTAS

24 SEC. 111. IMPOSITION OF QUANTITATIVE RESTRICTIONS.

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25 (a) QUANTITATIVE RESTRICTIONS.—Except as other-26 wise provided in this section, the maximum average $\mathbf{5}$

1 daily quantity of petroleum and petroleum products which
2 may be imported into the United States shall be determined
3 in accordance with the following table:

	Calendar year: Maximum average daily number of barrels (in millions)
	1975 6.0
	1976 6.0
	1977 6, 5
	1978 6.0
	1979 5.5 1980 and thereafter 5.5
	1980 and thereafter
4	In the case of the calendar year 1975, this subsection shall
5	apply only with respect to articles entered or withdrawn
6	from warehouse for consumption on or after the first day on
7	which the import licensing system established under section
8	112 takes effect.
9	(b) AUTHORITY TO VARY SCHEDULE.
10	(1) In GENERALWhenever the President deter-
11	mines that, by reason of variations in domestic con-
12	sumption caused by economic factors or the weather,
13	by reason of delays in obtaining domestic production of
14	oil or in achieving oil conservation goals, or by reason
15	of other similar factors, it is in the national interest to
16	vary the average daily quantity of oil which may be im-
17	ported during any period, he shall appropriately modify
18	the figure set forth in subsection (a) applicable to such
19	period.
20	(2) LIMITATION.—Any modification under this
21	subsection for any period may not change the maximum

average daily number of barrels of petroleum and petro-1 leum products which may be imported into the United 2 States during any calendar year to a quantity which is 3 above or below the figure for such calendar year set 4 forth in subsection (a) by more than- $\mathbf{5}$ (A) in the case of 1975, 1976, or 1977, 6 1,000,000 barrels a day, a da a ser a s 7 (B) in the case of 1978 or 1979, 1,500,000 . de **8** barrels a day, or 9 (C) in the case of a calendar year after 1979, 10 2,000,000 barrels a day. 11 · . . . (c) SAVINGS IN DOMESTIC CONSUMPTION TO BE 12 REFLECTED IN REDUCTIONS IN IMPORTS.—The President 13 shall establish quantitative restrictions lower than the quan-14 titative restrictions set forth in subsection (a) to the extent 15 necessary to ensure that savings in United States con-**16** sumption of oil will be fully reflected by at least equivalent 17 reductions in the imports of oil. n inge Dalver 18 (d) PETROCHEMICAL FEEDSTOCKS.—For purposes of 19 the quantitative restrictions imposed pursuant to this sec-20tion, petrochemical feedstocks shall not be counted against 21 the maximum average daily number of barrels of petroleum 22and petroleum products which may be imported into the $\overline{23}$ 24 United States. (e) NEEDS OF GEOGRAPHICAL AREAS AND INDUS-25

1TRIES FOR PARTICULAR PRODUCTS TO BE TAKEN INTO2ACCOUNT.—The President shall divide any quantitative3restrictions imposed pursuant to this section for any period4among petroleum and petroleum products where such divi-5sion is necessary to avoid substantial adverse impact on the6various economic and health needs of geographical areas and7industries within the United States.

8 (f) CERTAIN DISTILLATE AND RESIDUAL FUEL OILS 9 IMPORTED FOR USE AS FUEL.—

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(1) MINIMUM QUANTITIES IMPORTED BEFORE 10 1978.—Nothing in this section shall prevent the importa-11 tion into the United States for use as fuel (other than 12 for the propulsion of motor vehicles) of distillate fuel oil 13 and residual fuel oil (provided for in item 475.05 or 14 475.10 of the Tariff Schedules of the United States) in 15 average daily quantities which are equal to 2,000,000 16 barrels per day in the years 1975, 1976, and 1977, of 17 which not more than 400,000 barrels per day in any 18 such year may be for such distillate fuel oil. 19

(2) COORDINATION WITH SUBSECTION (a).—Any
quantities of distillate fuel oil and residual fuel oil referred to in paragraph (1) which are imported into the
United States during any calendar year before 1978 and
which are not greater than the applicable minimum quantities set forth in paragraph (1) shall be charged against

the quantitative restrictions set forth in subsection (a) 1 which apply for such year. 2

(g) APPLICATION OF QUANTITATIVE RESTRICTIONS.-3 No quantitative restriction imposed pursuant to this section 4 shall apply with respect to any quantity of oil which is 5 imported into the United States during any period for storage 6 in any strategic reserve for oil which may be provided by 7 8 law.

(h) QUARTERLY REVIEW OF QUANTITATIVE RESTRIC-9 TIONS.—Not less frequently than once each calendar quarter, 10 the President shall review the quantitative restrictions estab-11 lished by subsection (a) and any modifications made pur-12 suant to subsections (b) and (c). 13

(i) PROCLAIMING OF QUANTITATIVE RESTRICTIONS; 14 CERTIFICATIONS.-15

16 (1) QUARTERLY PROCLAMATION OF QUANTITA-17TIVE RESTRICTIONS.-Before the beginning of each calendar quarter, the President shall proclaim the aggregate 18 quantities of petroleum and petroleum products which 19 20under subsection (a) may be imported into the United States during such calendar quarter (as modified pur-2122suant to subsections (b) and (c)).

23(2) CERTIFICATION.—The President shall certify 191 $\mathbf{24}$ any modification made under subsection (b) or (c) to . ø. . * 25the Secretary of the Treasury and to the Deputy Admin-

9 istrator for Petroleum Import Licensing and Purchasing. 1 (j) ADMINISTRATION.—The Secretary of the Treasury $\mathbf{2}$ shall take such actions under the customs laws of the United 3 States as may be necessary and appropriate to ensure that 4 the aggregate quantities of oil imported into the United 5 States during any period do not exceed the quantities estab-6 lished by subsection (a) as modified pursuant to subsections 7 (b) and (c). 8 SEC. 112. ESTABLISHMENT IMPORT 9 OF LICENSING 10 SYSTEM. (a) IN GENERAL.—Before December 31, 1975, the 11 President shall establish an import licensing system for petro-12leum and petroleum products which are imported into the 13 United States. Import licenses issued under this subsection 14 shall be distributed on the basis of public auctions in which 15 bidding is by sealed bids, and such licenses shall be fully 16 marketable. 17 (b) SEPARATE LICENSES FOR SMALL REFINERS AND 18 INDEPENDENT MARKETERS.-19 (1) ESTABLISHMENT OF SEPARATE LICENSING 20 $\mathbf{21}$ SYSTEM .---(A) The President shall establish a separate 22import licensing system for small refiners and in-23dependent marketers of petroleum or petroleum $\mathbf{24}$

products. Except as provided in subparagraph (B), 25

10	11
1 import licenses issued under this subsection shall	1 licenses established at public auctions conducted
2 be distributed on the basis of public auctions in	2 pursuant to subsection (a).
3 which bidding is by sealed bids. Import licenses	3 (2) SMALL REFINER AND INDEPENDENT MAR-
4 issued under this subsection shall not be marketable;	4 KETER DEFINED.—For purposes of this section—
5 except that, under the circumstances and to the ex-	5 (A) SMALL REFINER.—The term "small
6 tent provided by regulations, they may be resold to	6 refiner" means a refiner whose total refinery capac-
7 the Deputy Administrator for Petroleum Import	ity (including the refinery capacity of any person
8 Licensing and Purchasing.	8 who controls, is controlled by, or is under common
9 (B) In any case in which any small refiner or	9 control with such refiner) does not exceed 50,000
10 independent marketer establishes to the satisfac-	10 barrels per day.
11 tion of the Deputy Administrator for Petroleum	11 (B) INDEPENDENT MARKETER.—The term
12 Import Licensing and Purchasing—	12 "independent marketer" means a person who is en-
13 (i) that he has made reasonable efforts to	13 gaged in the marketing or distributing of refined
14 secure the import licenses necessary to carry out	14 petroleum products, but who (i) is not a refiner,
15 his business at its regular level of operation but	15 and (ii) is not a person who controls, is controlled
16 has not been able to secure such licenses, or	• 16 by, is under common control with, or is affiliated
(ii) that the destruction of an demage to	17 with a refiner (other than by means of a supply
	is contract).
	19 (c) PROCEDURES FOR LICENSING SYSTEM
19 gency situation requires that he be issued im-	20 (1) IN GENERAL.—The Administrator of the Fed-
20 port licenses in order to continue his business	21 eral Energy Administration shall establish procedures
21 operation,	for the administration of this section through the pro-
the Deputy Administrator may issue one or more	
23 import licenses to such refiner or marketer. The	23 mulgation of regulations. 24 (2) REGULATIONS FOR SUBSECTIONS (a) AND
24 price for import licenses issued under this sub-	me my literation
25 paragraph shall be the average price for import	25 (b).—The regulations promulgated under this section

12	13
1 with respect to subsections (a) and (b) shall include	1 (G) to bar from acquiring or using import
2 provisions authorizing the Deputy Administrator for	2 license issued pursuant to subsection (a) or (b)
3 Petroleum Import Licensing and Purebasing-	3 persons convicted of committing any felony or mis-
4 (A) to schedule frequent auctions during each	4 demeanor under the laws of the United States gov-
5 calendar quarter;	5 erning oil imports, oil allocations, or price controls
6 (B) to require that the bidding be for small	6 on oil, and to provide procedures for removing such
7 units, but to permit persons to bid for a number "	• 7 bar in appropriate cases.
8 of units;	8 (3) ADDITIONAL REGULATIONS FOR SUBSECTION
9 (C) to establish a maximum limit on the num-	9 (b).—In addition to the regulations referred to in para-
10 ber of units which may be acquired by related per-	10 graph (2), the regulation regulations promulgated
11 sons during any period;	11 under this section shall include provisions—
12 (D) to establish a time limit on the period	12 (A) to ensure that small refiners and independ-
13 during which the rights under any import license	13 ent marketers applying for import licenses under
14 may be exercised;	14 subsection (b) are bona fide refiners or bona fide
15 (E) to reject bids-	15 marketers who have established distribution chan-
16 (i) where there is evidence of collusion as	* 16 nels, and
17 to the bidding or as to failure to bid, or	17 (B) to limit import licenses under subsection
18 (ii) where such bids are substantially	18 (b) to such additional amounts of petroleum or any
19 below the market price which exists for the	19 petroleum product as may be necessary to ensure
20 resale of import license;	20 that—
21 (F) to deal with identical high bids for any	21 (i) any small refiner can operate his re-
22 unit by rejecting all bids, by awarding the unit to	22 fineries at capacity; and
the high bidder who has acquired fewer units during	23 (ii) any independent marketer can ade-
a specified period than any other high bidder, or	24 quately supply his regular distribution channels.
25 otherwise; and	25 (d) PRESIDENT MAY REQUIRE USER OF IMPORT LI-
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CENSES TO REPORT COUNTRY OF ORIGIN.-If the President 1 finds such action to be necessary or appropriate to the $\mathbf{2}$ national interest, the President may require each person 3 importing petroleum or a petroleum product into the United 4 States under an import license issued pursuant to this section $\mathbf{5}$ to report to the Deputy Administrator for Petroleum Import 6 Licensing and Purchasing the foreign country of which such petroleum or petroleum product is a product. 8 (e) REFINERIES LOCATED IN THE POSSESSIONS, ETC.-9 The President shall take such steps as may be necessary to 10 ensure that refineries located in the territories and possessions 11 of the United States and foreign trade zones of the United 12 States will participate in all appropriate aspects of the 13 provisions of this title upon terms not less favorable than 14 those accorded to refineries and importers of petroleum 15 products located in the customs territory of the United States. 16 Nothing in this subsection shall be treated as removing any 17 quantitative restriction or duty imposed by or pursuant to 18 this title. Algebra C. Algebra and an 19

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PART II-DUTIES

21 SEC. 121. RATES OF DUTY ON OIL.

(a) STATUTORY RATES OF DUTY.—Effective with
respect to articles entered or withdrawn from warehouse for
consumption on or after the 60th day after the date of the
enactment of this Act—

(1) the rate of duty with respect to petroleum 1 shall be 2 percent ad valorem; and 2 (2) the rate of duty with respect to any petroleum 3 product described in section 133(a) (3) shall be 5 per-4 cent ad valorem. 5Such rates of duty shall replace the rates of duty heretofore 6 provided by, or pursuant to, law. 7 (b) AUTHORITY TO ADJUST RATES OF DUTY .-- Sub-8 ject to the limitations set forth in subsections (c) and (d), q the President may make, from time to time, such adjust-10 ments in the rates of duty established by subsection (a), 11 and in the rates of duty resulting from adjustment under 12 this subsection, as he finds are necessary to carry out the 13 purposes of this Act in the light of overall considerations of 14 the national interest; except that the President may not 15 make any adjustment under this subsection before the close 16 of the 2-year period beginning on the date of the enactment 17 of this Act which results in a rate of duty of more than 18 5 percent ad valorem on any distillate fuel oil or residual 19 fuel oil (provided for in item 475.05 or 475.10 of the Tariff 20Schedules of the United States) imported for use as fuel 21(other than for the propulsion of motor vehicles). 22(c) LIMITATIONS ON ADJUSTMENTS .- No adjust-23

24 ment made under subsection (b) to any rate of duty may 25 result in a rate of duty which—

16	, 1 ,7
1 (1) is more than the higher of 10 percent ad	1 "Nothing in this subsection shall be deemed to authorize the
2 valorem or \$1 a barrel, or	2 President, after the date of the enactment of this sentence, to
3 (2) is less than 2 percent ad valorem.	3 adjust imports of petroleum and petroleum products; except
4 (d) Adjustments Increasing Rates of Duty	4 that the President may adjust imports of petroleum and
5 (1) SUBMISSION OF ANY PROPOSED INCREASE IN	5 petroleum products during any period in which-
6 DUTY TO THE CONGRESS.—The President shall transmit	6 "(1) the Congress declares war,
7 to the House of Representatives and to the Senate on	• 7 "(2) United States Armed Forces are introduced
8 the same day, and to each House while it is in session, a	8 into hostilities pursuant to specific statutory authoriza-
9 document setting forth any adjustment which he pro-	9 tion,
10 poses to make under subsection (b) which increases any	10 "(3) a national emergency is created by attack upon
11 rate of duty.	11 the United States, its territories or possessions, or its
12 (2) TAKING EFFECT OF ANY SUCH INCREASE.—No	12 Armed Forces, or
13 adjustment proposed to be made under subsection (b)	13 "(4) United States Armed Forces are introduced
14 which increases any rate of duty may take effect sooner	14 into such hostilities, situations, or places, or are enlarged
15 than the close of the 60th day after the day on which the	15 in any foreign nation, under circumstances which require
16 document relating to such adjustment is delivered to	• 16 a report by the President to the Congress pursuant to
17 Congress under paragraph (1).	17 section 4 (a) of the War Powers Resolution (50 U.S.C.
18 (e) PROCLAIMING OF ADJUSTMENTS TO RATES OF	18 1453 (a)),
19 DUTYSubject to the provisions of section (d), the Presi-	19 but any adjustment made pursuant to this exception shall not
20 dent shall proclaim any adjustment to any rate of duty made	20 apply with respect to articles entered or withdrawn from
21 by him under subsection (b).	21 warehouse for consumption on or after the 60th day after the
22 (f) COORDINATION WITH OTHER LAWS.—	22 closing date of the hostilities concerned."
23 (1) (A) Section 232 (b) of the Trade Expansion	23 (B) Effective with respect to articles entered or
Act of 1962 (relating to national security) is amended	24 withdrawn from warehouse for consumption on or after
25 by adding at the end thereof the following new sentence:	H.R. 6860 —2

the 60th day after the date of the enactment of this Act, no adjustment action taken under section 232 (b) of the Trade Expansion Act of 1962 before such date of enactment shall have any force or effect with respect to petroleum or any petroleum product.

6 (2) Section 101 of the Trade Act of 1974 shall not 7 apply to any rate of duty established by, or to any adjust-8 ment of any rate of duty made under, this section.

9 (3) Petroleum and petroleum products shall not be
10 designated by the President as eligible articles for pur11 poses of title V of the Trade Act of 1974.

12 PART III—ADMINISTRATIVE AND MISCELLANE-

13 OUS PROVISIONS

14 SEC. 131. IMPORT RESTRICTIONS AND RATES OF DUTY TO
15 BE REFLECTED IN THE TARIFF SCHEDULES
16 OF THE UNITED STATES.

17 The President shall by proclamation establish a new part 18 4 in the Appendix of the Tariff Schedules of the United 19 States (19 U.S.C. 1202) and shall reflect therein any quan-20 titative restriction established by part I and any rate of duty 21 established by part II and any modification of any quantita-22 tive restriction and adjustment to any rate of duty made by 23 him under part I or II.

24 SEC. 132. ANNUAL REPORTS.

25 On or before March 15, 1976, and on or before March 15

1 of each year thereafter, the President shall make a full and complete report to the Congress on the operation of this Act. 2 Each such report shall include full and complete information 3 with respect to the economies in the domestic consumption of 4 oil which have been effectuated, the increases in domestic 5 production of oil which have taken place, the factors taken 6 into account in making any modification under subsection 7 (b) or (c) of section 111, and any other information which 8 may be appropriate in assessing the way in which the pro-9 visions of this Act are being administered. 10 SEC. 133. DEFINITIONS. 11 (a) IN GENERAL .- For purposes of this title-12 (1) The term "oil" means petroleum and petroleum 13 14 products. (2) The term "petroleum" means crude petroleum 15provided for in item 475.05 or 475.10 of the Tariff 16 Schedules of the United States. 17(3) The term "petroleum product" means any arti-18 cle provided for in part 10 of schedule 4 of the Tariff 19 Schedules of the United States, other than petroleum, 20natural gas provided for under item 475.15, greases pro-21 vided for under item 475.55 or 475.60, and mixtures of 22hydrocarbons in other than liquid form provided for 23under item 475.70. 24

1 (b) ADDITIONAL ARTICLES MAY BE TREATED AS 2 PETROLEUM PRODUCTS FOR PURPOSES OF QUANTITATIVE RESTRICTIONS.—For purposes of this title (other than sec-118: tion 121), the term "petroleum products" may include, but 4 5 only if the President proclaims such inclusion to be necessary 6 to carry out the purposes of this Act, one or more of the 7 fellowing articles: 8 (1) Coal tar articles (benzene, cumene, toluene, and xylene) provided for under item 401.10, 401.26, 9 401.72, or 401.74 of such Schedules. 10 (2) Mixtures, consisting wholly of two or more of 11 - the coal tar articles referred to in paragraph (1), pro-12 vided for under item 401.80. 13 (3) Hydrocarbons provided for under item 429.50 14 15 or 429.52. 16 PART IV-OFFICE OF PETROLEUM IMPORT LI-17 CENSING AND PURCHASING SEC. 141. ESTABLISHMENT OF OFFICE. 18 (a) IN GENERAL.—There is hereby established within 19 the Federal Energy Administration the Office of Petroleum 20 Insport Licensing and Purchasing (hereinafter in this title 21 referred to as the "Office"). 22 (b) ADMINISTRATION .- The Office shall be headed by 23 + Deputy Administrator for Petroleum Import Licensing 24

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and Purchasing (hereinafter in this title referred to as the 1-"Deputy Administrator") who, in the performance of his 2 duties under this title, shall be under the supervision of the 3 Administrator of the Federal Energy Administration. SEC. 142. FUNCTIONS OF THE DEPUTY ADMINISTRATOR. 5 The Deputy Administrator shall 6 (1) administer the import licensing system estab-7 lished under section 112; and 8 (2) administer the provisions of part V (relating to 9 the Federal purchase and sale of imports of petroleum 10 and petroleum products). 11 shall administer the import licensing system established under 12 section 112. 13 14 SEC. 143. CONFORMING AMENDMENT. 15 Section 4 (c) of the Federal Energy Administration Act 16 of 1974 is amended to read as follows: "(c) There shall be in the Administration three Deputy 17 Administrators (one of whom shall be the Deputy Adminis-18 trator for Petroleum Import Licensing and Purchasing), who 19 20 shall be appointed by the President, by and with the advice 21 and consent of the Senate, and who shall receive compensa-22 tion at the rate prescribed for offices and positions at level III of the Executive Schedule (5 U.S.C. 5314)." 23

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PART V-AUTHORITY FOR FEDERAL PURCHASE		
AND SALE OF IMPORTS OF OIL		
SEC. 151. PRESIDENTIAL DETERMINATION OF NEED FOR		
FEDERAL PURCHASE AND SALE OF OIL IM-		
PORTS.		
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Whenever the President determines that the goals of 6 reducing United States dependency on imports of petroleum $\mathbf{7}$ and petroleum products and the securing of adequate sup-8 plies of such imports at reasonable and stable prices will be 9 promoted through the implementation of a system under 10 which all, or a portion, of such imports will be purchased 11 or otherwise acquired, and sold, by the Office, he may, sub-12 ject to the provisions of this part, implement such a system. 13 SEC. 152. PLAN FOR SYSTEM FOR THE FEDERAL PUR-14 15 CHASE AND SALE OF OIL IMPORTS. 16 (a) IN GENERAL. If the President determines that 17 the system referred to in section 151 should be implemented,

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and submit to the Congress a plan for the establishment and 19 administration of such system, together with the text of any 20Executive order or regulation proposed to be issued to 21implement such plan. 22

he shall, acting through the Deputy Administrator, prepare

(b) PLAN OBJECTIVES. The plan required to be pre-2324 pared under subsection (a) shall include such provisions

as are necessary and appropriate to achieve the following 1 objectives: $\mathbf{2}$ (1) The Office, subject to such quantitative restric-3 tions as may be imposed pursuant to section 111, shall 4 purchase petroleum and petroleum products for impor- $\mathbf{5}$ tation into the United States at the lowest prices obtain-6 able on the basis of competitive bidding; except that the 7 President may direct, after taking into account the need 8 for obtaining petroleum and petroleum products from 9 secure foreign sources and such other factors as he deems 10 appropriate to the national interest, that quantities of 11 petroleum and petroleum products be purchased or 12otherwise acquired by the Office through other means, 13 including_ 14 15(A) negotiated purchases from any foreign 16 country; and (B) exchange of United States products for 17

petroleum or petroleum products of any foreign

(2) The Office shall sell petroleum and petroleum

products purchased or otherwise acquired by it to private

and public persons and entities within the United States

in such manner, and under such terms and conditions, as

it deems necessary and appropriate,

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country.

1.000 (3) The plan shall be phased into full operation in such stages, and over such period of time, as the Presi- $\mathbf{2}$ dent determines to be necessary to ensure that the Office 3, will efficiently perform its functions under the plan with 4 a minimum of disruption to existing market mechanisms. 5 (4) The plan may provide for the orderly phasing 6 out of all or part of the import licensing system estab-7 lished under section 112. 8 SEC. 153. CONGRESSIONAL ACTION WITH RESPECT TO 9 **1**0 PROPOSED PLANS. (a) IMPLEMENTATION OF PLANS SUBJECT TO CON-11 GRESSIONAL DISAPPROVAL. 12(1) IN GENERAL. Any plan prepared by the 131 14 President pursuant to section 152 shall take effect if 15 (and only if)-16 (A) the President transmits to the House of 17 Representatives and to the Senate a copy of the 18 plan (together with the text of any Executive order 19 or regulation proposed to be issued to implement States -20 such plan); and (B) before the close of the first period of 30 21calendar days of continuous session of the Congress 2223after the date on which the copy of the plan referred $\mathbf{24}$ to in subparagraph (A) is delivered to the House 25

of Representatives and to the Senate, neither the

1	House of Representatives nor the Senate adopts by
2	an affirmative vote of the majority of those present
3	and voting in that House a resolution of disapproval:
4	(2) COMPUTATION OF 30 DAY PERIOD. For pur-
5	poses of paragraph (1) (B) of this subsection –
6	(A) continuity of session is broken only by an
7	adjournment of Congress sine die; and
8	(B) the days on which either House is not in
9	session because of an adjournment of more than 3
10	days to a day certain are excluded in the computa-
11	tion of the 30 day period.
12	(3) RESOLUTION OF DISAPPROVAL. For purposes
13	of this section, the term "resolution of disapproval?"
14	means only a resolution of either House of Congress, the
15	matter after the resolving clause of which is as follows:
16	"That the does not favor the taking effect
17	of the proposed plan prepared pursuant to section 152
18	of the Energy Conservation and Conversion Act of 1975,
19	transmitted to the Congress by the President on
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21	the name of the resolving House and the second blank
22	space therein being filled with the day and year.
23	(b) PROCEDURE IN EACH HOUSE.
24	(1) A resolution of disapproval in the House of
25	Representatives shall be referred to the Committee on

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1 Ways and Means. A resolution of disapproval in the	1 been discharged from further consideration of, a resolu-
2 Senate shall be referred to the Committee on Finance.	2 tion of disapproval, it is at any time thereafter in order
3 (2) (A) If the committee to which a resolution of	3 (even though a previous motion to the same effect has
4 disapproval has been referred has not reported it at the	4 been disagreed to) to move to proceed to the considera-
5 end of 7 calendar days after its introduction, it is in	5 tion of the resolution. The motion is highly privileged
6 order to move either to discharge the committee from	6 and is not debatable. An amendment to the motion is
7 further consideration of the resolution or to discharge the	• 7 not in order, and it is not in order to move to reconsider
8 committee from further consideration of any other res-	8 the vote by which the motion is agreed to or disagreed
9 olution of disapproval which has been referred to the	9 to.
10 committee.	10 (B) Debate on the resolution of disapproval shall be
11 (B) A motion to discharge may be made only by	11 limited to not more than 10 hours, which shall be divided
12 an individual favoring the resolution, is highly privileged	12 equally between those favoring and those opposing the
13 (except that it may not be made after the committee	13 resolution. A motion further to limit debate is not debat-
14 has reported a resolution of disapproval), and debate	14 able. An amendment to, or motion to recommit, the res-
15 thereon shall be limited to not more than 1 hour, to	15 olution is not in order, and it is not in order to move to
16 be divided equally between these favoring and those	reconsider the vote by which the resolution is agreed to
17 opposing the resolution. An amendment to the motion	17 or disagreed to.
18 is not in order, and it is not in order to move to recon-	18 (4) (A) Motions to postpone, made with respect to
19 sider the vote by which the motion is agreed to or dis-	19 the discharge from committee or the consideration of a
20 agreed to.	20 resolution of disapproval, and motions to proceed to the
21 (C) If the motion to discharge is agreed to or	21 consideration of other business, shall be decided without
22 disagreed to, the motion may not be renewed, nor may	22 debate.
23 another motion to discharge the committee be made with	23 (B) Appeals from the decisions of the Chair re-
24 respect to any other resolution of disapproval.	24 lating to the application of the rules of the House of
25 (3) (A) When the committee has reported, or has	25 Representatives or the Senate, as the case may be, to

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1 the procedure relating to any resolution of disapproval	1 TITLE II-GASOLINE CONSERVA-
2 shall be decided without debate.	2 TION PROGRAM
3 (5) Whenever the President transmits copies of	3 PART I-ENERGY CONSERVATION TAXES
4 any proposed plan to the Congress, a copy of each plan	4 SEC. 211. GASOLINE CONSERVATION TAX.
5 shall be delivered to each House of Congress on the	5 (a) GENERAL RULE.—Part III of subchapter A of
6 same day and shall be delivered to the Clerk of the	6 chapter 32 (relating to petroleum products) is amended by
7 House of Representatives if the House is not in session	· 7 redesignating subparts B and C as subparts C and D, respec-
8 and to the Secretary of the Senate if the Senate is not	8 tively, and by inserting after subpart A the following new
9 in session.	9 subpart:
10 (6) This subsection is enacted by the Congress-	10 "Subpart B—Gasoline Conservation Tax
11 (A) as an exercise of the rulemaking power	"Sec. 4086. Imposition of tax.
12 of the House of Representatives and the Senate, re-	11 "SEC. 4086. IMPOSITION OF TAX.
13 spectively, and as such it is deemed a part of the	12 "(a) GENERAL RULE.—
14 rules of each House, respectively, but applicable	13 "(1) IMPOSITION OF 3 CENTS A GALLON TAX.—In
15 only with respect to the procedure to be followed in	14 addition to any tax imposed by section 4081, there is
16 that House in the case of resolutions of disapproval	 hereby imposed on gasoline sold by the producer or im-
17 described in subsection (a) (3); and they supersede	16 porter thereof, or by any producer of gasoline, a tax of
18 other rules only to the extent that they are incon-	17 3 cents a gallon.
19 sistent therewith; and	18 "(2) TAX TO BE DEPOSITED IN TRUST FUND.—
20 (B) with full recognition of the constitutional	19 For provisions for depositing amounts of the tax imposed
21 right of either House to change the rules (so far	20 by this section in the Energy Conservation and Con-
22 as relating to the procedures of that House) at any	21 version Trust Fund, see section 411 (b) of the Energy
23 time, in the same manner, and to the same extent	22 Conservation and Conversion Act of 1975.
24 as in the case of any other rule of that House.	

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"(b) INCREASE IN RATE IF CONSERVATION GOALS 1 2 ARE NOT REALIZED.—

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3	"(1) DETERMINATION OF DOMESTIC CONSUMP-
4	TIONNot later than January 31, of 1977, and of each
5	year thereafter on January 1 of which the rate of tax
6	imposed by this section is less than 23 cents a gallon, the
7	Administrator of the Federal Energy Administration
8	(hereinafter in this subsection referred to as the 'Ad-
9 ,	ministrator') shall make and publish in the Federal
10	Register-
11	"(A) a determination of whether the domestic
12	consumption of gasoline for the preceding calendar
13	year exceeds the domestic consumption of gasoline
14	for 1973, and
15	"(B) if it does, the percentage by which such
16	consumption for the preceding calendar year ex-
17	ceeds such consumption for 1973.
18	"(2) INCREASE IN RATE.—If a determination un-
19	der paragraph (1) yields a percentage which calls for
20	a rate of tax under paragraph (3) which is greater than
21	the rate of tax in effect on January 1 of the calendar
22	year in which such determination is made, then, effective
23	on April 15 of such year, the rate of the tax imposed by
24	this section shall be increased to the rate of tax provided
25	by paragraph (3).

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]	"(3) TAX TABLE.—
	"If the domestic consumption of gaso- line for the calendar year preced- ing the year in which the determi- nation is made exceeds the domes- tic consumption of gasoline for be the following 1973 by a percentage which is— cents per gallon: More than— But not more than— 0 1 8 1 2 13 2 3 18 3 23
2	"(4) DOMESTIC CONSUMPTION DEFINEDFor
3	purposes of this subsection, the term 'domestic consump-
4	tion of gasoline' means the average daily usage of gaso-
5	line occurring within the United States."
6	(b) EFFECTIVE DATE.—The amendments made by
7	subsection (a) shall take effect on January 1, 1976.
8	SEC. 212. SPECIAL MOTOR VEHICLES FUELS CONSERVA-
9	TION TAXES.
10	(a) IN GENERAL.—Chapter 31 (relating to retailers
11	excise taxes) is amended by redesignating subchapter F as
12	subchapter G and by inserting after subchapter E the fol-
13	lowing new subchapter:
14	"Subchapter F—Special Motor Fuels Conservation Taxes
	"Sec. 4051. Imposition of taxes.
15	"SEC. 4051. IMPOSITION OF TAXES.
16	"(a) SPECIAL MOTOR FUELSIn addition to any tax
17	imposed by section 4041 (b), there is hereby imposed a tax
18	of 3 cents a gallon upon benzol, benzene, naphtha, liquefied

19 petroleum gas, casing head and natural gasoline, or any other

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liquid (other than kerosene, gas oil, or fuel oil, or any product
 taxable under section 4041 (a) or 4086) —

3 "(1) sold by any person to an owner, lessee, or
4 other operator of a motor vehicle or motorboat for use
5 as a fuel in such motor vehicle or motorboat; or

6 "(2) used by any person as a fuel in a motor 7 vehicle or motorboat, unless there was a taxable sale of 8 such liquid under this section.

9 "(b) NONCOMMERCIAL AVIATION.—In addition to any 10 tax imposed by section 4041 (c), there is hereby imposed 11 a tax of 3 cents a gallon upon any liquid (other than any 12 product taxable under section 4086)—

"(1) sold by any person to an owner, lessee, or
other operator of an aircraft, for use as a fuel in such
aircraft in noncommercial aviation (as defined in section
4041 (c) (4)); or

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"(2) used by any person as a fuel in an aircraft
in noncommercial aviation (as so defined), unless there
was a taxable sale of such liquid under this section.

20 "(c) INCREASE IN RATE.—If the rate of tax imposed 21 by section 4086 is increased under subsection (b) of such 22 section, then, effective on the date of such increase, the rate 23 of the taxes imposed by subsections (a) and (b) of this sec-24 tion shall be the increased rate effective under section 4086 25 (b).

"(d) EXEMPTIONS.—Under regulations prescribed by 1 the Secretary or his delegate, no tax shall be imposed by this $\mathbf{2}$ section on any liquid sold for use or used----3 "(1) on a farm for farming purposes, as determined 4 in accordance with paragraphs (1), (2), and (3) of 5 section 6420 (c), or 6 "(2) as supplies for vessels or aircraft (within the 7 meaning of section 4221 (d) (3)). - 8 "(e) REGISTRATION .- If any liquid is sold by any per-9 son for use as a fuel in an aircraft, it shall be presumed, for 10 11 purposes of subsection (b), that the tax imposed by such subsection applies to the sale of such liquid unless the pur-12chaser is registered in such manner (and furnishes such in-13 14 formation in respect of the use of the liquid) as the Secre-15 tary or his delegate shall by regulations prescribe." (b) EFFECTIVE DATE.—The amendments made by sub-16 section (a) shall take effect on January 1, 1976, except that 17 18 no tax shall be imposed under section 4051 of the Internal 19 Revenue Code of 1954 (as added by subsection (a)) with 20respect to the use by any person of any fuel sold to such per-21 son before January 1, 1976, if such sale would have been 22taxable under such section 4051 if it had occurred on Janu-23 ary 1, 1976. It is the the set of the set . . H.R. 6860-3 with the start of t 3

1 SEC. 213. FLOOR STOCKS TAXES; TECHNICAL AND CON-

2 FORMING AMENDMENTS.

3 (a) FLOOR STOCKS TAXES.—

4 (1) IN GENERAL.—Subsection (a) of section 4226 5 (relating to floor stocks taxes) is amended to read as 6 follows:

7 (a) GASOLINE CONSERVATION TAX.-

"(1) IMPOSITION OF TAX.-On gasoline (as de-8 fined in section 4082 (b)) which, on a gasoline tax Se 9 increase date, is held by a dealer for sale, there is hereby 10 imposed a floor stocks tax at a rate equal to the differ-11 ence between (i) the tax (if any) imposed by section 12 4086 on the sale of such gasoline by the producer or 13 importer, and (ii) the tax which would have been 14 15 imposed by such section on such sale if that sale had occurred on such gasoline tax increase date. The tax 16... imposed by this subparagraph shall not apply to gasoline 17 in retail stocks held at the place where intended to be 18 sold at retail, nor to gasoline held for sale by a producer 19 or importer of gasoline. 20 (2) GASOLINE TAX INCREASE DATE DEFINED.-21 For purposes of this section, the term 'gasoline tax 22£1-

23 increase date' means January 1, 1976, and any other
24 day on which the rate of the tax imposed by section

4086 exceeds the rate of such tax in effect on the preced--1 ing day." Ę. 2 (2) DUE DATE OF TAXES.—Subsection (d) of such 3 section 4226 is amended to read as follows: -4 "(d) DUE DATE OF TAXES .- Any tax imposed by 1 20 5 subsection (a) shall be paid at such time, not less than 90 days after the gasoline tax increase date in respect of which 7 such tax was imposed, as may be prescribed by the Secre-8 tary or his delegate." <u>,</u> (b) DENIAL OF CERTAIN EXEMPTIONS AND RE-10 te de Se des 11 FUNDS.-(1) Section 4056 is amended by striking out "under" 12 this chapter" and inserting in lieu thereof "under section 13 14 (2) Subsection (a) of section 4221 (relating to 1516certain tax-free sales) is amended by adding at the end 17 thereof the following new sentence: "Paragraph (2) 18 shall not apply to the tax imposed by section 4086." (3) Section 4293 is amended by inserting after 19 "chapters 31 and 32" the following: "(other than sec-20 tion 4051 or 4086)". 21 (4) Paragraph (6) (C) of section 4221 (d) (relat-22

ing to use in further manufacture) and paragraph (3)
(F) of section 6416 (b) (relating to tax-paid articles

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1 used for further manufacture, etc.) are each amended	1	(3) Subsections (a) and (b) of section 4082 are
2 by striking out "section 4081" and inserting in lieu	2	each amended by striking out "in this subpart" and in-
3 thereof "section 4081 or 4086".	3	serting in lieu thereof "in this subpart and subpart B".
4 (c) ALLOWANCE OF REFUNDS IN CASE OF CERTAIN	4	(4) Section 4083 is amended by striking out "sec-
5 USES.—Paragraph (2) of section 6416 (b) (relating to tax	5	tion 4081" and inserting in lieu thereof "section 4081
6 payments considered overpayments in case of specified uses	6	or 4086".
7 and resales) is amended—	~ 7	(5) Section 4101 is amended by striking out "sec-
8 (1) by inserting after "section 4041 (a) (1) or	8	tion 4081 or section 4091" and inserting in lieu thereof
9 (b) (1)" the following: "or section 4051", and	9	"section 4081, 4086, or 4091".
10 (2) by adding at the end thereof the following new	10	(6) Section 4226 is amended by striking out sub-
11 sentence:	11	section (e).
12 "Subparagraph (A) shall not apply to any tax paid	12	(e) EFFECTIVE DATE.—The amendments made by this
13 under section 4086 or 4051."	13	section shall take effect on January 1, 1976.
14 (d) TECHNICAL AND CONFORMING AMENDMENTS	14	PART II-CREDITS, ETC., RELATING TO ENERGY
15 (1) The table of subchapters for chapter 31 is	15	CONSERVATION TAXES
16 amended by striking out the last item and inserting in	16	SEC. 221. CREDIT FOR PERSONAL USE OF GASOLINE.
17 lieu thereof:	. 17	(a) IN GENERALSubpart A of part IV of subchapter
"SUBCHAPTER F. Special motor fuels conservation taxes. "SUBCHAPTER G. Special provisions applicable to retailers	18	A of chapter 1 (relating to credits allowable) is amended by
	19	inserting after section 44 the following new section:
18 (2) The table of subparts for part III of subchapter	20	"SEC. 44A. PERSONAL USE OF GASOLINE.
19 A of chapter 32 is amended by striking out the last two	21	"(a) GENERAL RULE.—In the case of a taxpayer who
20 items and inserting in lieu thereof the following: "Subpart B. Gasoline conservation tax.	22	is a qualified individual, there shall be allowed as a credit
"Subpart D. Gasonne conservation tax. "Subpart C. Lubricating oil. "Subpart D. Special provisions applicable to petroleum	23	against the tax imposed by this chapter for the taxable year
products."	24	an amount equal to the sum of the allowances to which the

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1 individual is entitled for each month in such year. The 2 allowance for any month in the taxable year shall be an · 3 amount equal to-"(1) so much of the rate of tax in effect for such 4 month under section 4086 (relating to gasoline conserva-- 5 tion tax) as exceeds 3 cents a gallon, multiplied by 6 **7**² 3. 3 and **40**. 1 and 1 8 (b) QUALIFIED INDIVIDUAL DEFINED .-- For purposes of this section, an individual is a qualified individual if, 9 10 as of the close of the taxable year, such individual-"(1) has attained the age of 16, and 11 "(2) resides in the United States. 12 "(c) TRUSTS AND ESTATES.—A trust or estate shall not 13 14 be entitled to the credit allowed under subsection (a). "(d) SPECIAL RULE FOR RATE CHANGE IN MIDDLE 15 16 OF MONTH.-In the case of any month in which there is 17 an increase in the rate of tax imposed by section 4086, the 18 rate of such tax in effect for such month, for purposes of subsection (a), shall be deemed to be one-half of the sum 19 of the rate of such tax in effect on the first day of such 20month plus the rate of such tax in effect on the last day of 21 V such month." 22 (b) REFUND TO BE MADE WHERE CREDIT EXCEEDS 23 IJABILITY FOR TAX.—Section 6401 (b) (relating to exces-24 sive credits) is amended-25

(1) by inserting "44A (relating to personal use 1 of gasoline)," before "and 667 (b)"; and 2 (2) by striking out "and 43" and inserting in lieu 3 thereof "43, and 44A". 4 (c) WITHHOLDING TAX.—Subsection (a) of section 5 3402 (relating to income tax collected at source) is amended 6 to read as follows: 7 "(a) REQUIREMENT OF WITHHOLDING.-Except as 8 otherwise provided in this section, every employer making 9 payment of wages shall deduct and withhold upon such 10 wages a tax determined in accordance with tables pre-11 scribed by the Secretary or his delegate. The tables so 12prescribed shall be the same as the tables contained in this 13 subsection as in effect on the day before the date of the en-14 actment of the Energy Conservation and Conversion Act of 151975; except that, if there is any increase under section 16 4086 (b) in the rate of the tax imposed by section 4086, 17 the amounts set forth as amounts of income tax to be with-18 held shall reflect the credit allowable under section 44A 19 by reason of such increase. Any tables prescribed by reason 20of an increase in the rate of tax under section 4086 shall 21 only apply with respect to wages paid on and after the effec-22tive date of such increase. For purposes of applying such 2324 tables, the term 'the amount of wages' means the amount by which the wages exceed the number of withholding 25

exemptions claimed, multiplied by the amount of one such		1 inserting after section 44A the following new section:
$_2$ exemption as shown in the table in subsection (b) (1)."		2 "SEC. 44B. USE OF GASOLINE AND SPECIAL FUELS IN
3 (d) CREDITS DISREGARDED IN THE ADMINISTRATION		3 BUSINESS OR IN WORK-RELATED TRAVEL.
4 OF FEDERAL PROGRAMS AND FEDERALLY ASSISTED PRO-		4 "(a) GENERAL RULE.—In the case of a taxpayer who
5 GRAMS.—Any payment considered to have been made by any	÷ •	5 is engaged in a trade or business or who has work-related
6 individual by reason of section 44A of the Internal Revenue		6 travel, there shall be allowed as a credit against the tax im-
$_7$ Code of 1954 (relating to credit for personal use of gasoline)	<u>م</u>	7 posed by this chapter for the taxable year an amount equal
8 shall not be taken into account as income or receipts for pur-		8 to the sum of—
$_{9}$ poses of determining the eligibility of such individual or any		9 "(1) the trade or business allowances to which the
10 other individual for benefits or assistance, or the amount or		10 taxpayer is entitled for such taxable year under subsec-
11 extent of benefits or assistance, under any Federal program		11 tion (b), plus
$_{12}$ or under any State or local program financed in whole or in		12 "(2) the work-related travel allowances to which
13 part with Federal funds.		13 the taxpayer is entitled for such taxable year under sub-
14 (e) CLERICAL AMENDMENT.—The table of sections		14 section (c).
15 for such subpart A is amended by inserting after the item		15 "(b) TRADE OR BUSINESS ALLOWANCES
16 relating to section 44 the following:	4,)	16 "(1) IN GENERAL.—For purposes of subsection
"Sec. 44A. Personal use of gasoline."	بر قد	17 (a), the taxpayer shall be entitled to a trade or business
17 (e) (f) EFFECTIVE DATES.—The amendments made by		18 allowance for each month in the taxable year, and such
18 subsections (a), (b), and (d) (e) shall apply to taxable		19 allowance shall be equal to $\frac{1}{2}$ of the sum of—
19 years ending after December 31, 1976.		20 "(A) the product of—
20, SEC. 222. CREDIT FOR USE OF GASOLINE AND SPECIAL		21 "(i) the number of gallons of gasoline used
21 FUELS IN BUSINESSES OR IN WORK-RELATED		during such month in a trade or business, mul-
22 TRAVEL.		23 tiplied by
23 (a) IN GENERAL.—Subpart A of part IV of subchapter		24 "(ii) so much of the rate of tax in effect
24 A of chapter 1 (relating to credits allowable) is amended by		25 under section 4086 for the month in which

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as exceeds 3 cents per gallon; plus			2 chased by the taxpayer and which were used by the
"(B) so much of the tax imposed by section			3 taxpayer during such month in work-related travel,
4051 on the sale to such taxpayer of fuel used dur-			4 multiplied by
ing such month in a trade or business as was im-	1-	•	5 "(B) so much of the rate of tax in effect under
posed at a rate in excess of 3 cents a gallon.			6 sections 4086 and 4051 for such month as exceeds
"(2) USE FOR CERTAIN PURPOSES.—Paragraph	e.	2	7 3 cents per gallon.
(1) shall not apply to any gasoline or other fuels used			8 "(2) WORK-RELATED TRAVEL.—For purposes of
on a farm for farming purposes (within the meaning of			9 this subsection, the term 'work-related travel' means-
section 6420(c)), used as supplies for vessels or air-			10 "(A) travel between the individual's principal
craft (within the meaning of section 4221 (d) (3)),	1		11 residence and any post of duty in a qualified indus-
or used used in a taxicab (as defined in section 6429 (c)	-	-	12 try pursuant to employment in such qualified indus-
(2) (B)) while engaged in furnishing qualified taxicab	-		13 try, and
services (as defined in section 6429(c)(2)(A)), or			14 "(B) travel to a new principal post of duty in
used by an organization described in section $501(c)(3)$			15 a qualified industry if such new principal post of
which is exempt from tax under section 501(a) other	3	*	16 duty is at least 20 miles from the individual's former
than in an unrelated trade or business (as defined in	**	*	17 principal post of duty in a qualified industry.
section 513).	-		18 "(3) QUALIFIED INDUSTRY.—For purposes of this
"(c) WORK-RELATED TRAVEL ALLOWANCES			19 subsection, the term 'qualified industry' means any in-
"(1) IN GENERAL.—For purposes of subsection	-	-	20 dustry which ordinarily provides individuals, employed
(a), the taxpayer shall be entitled to a work-related			21 in such industry, employment at a number of different
travel allowance for each month of the taxable year, and			22 posts of duty throughout the year.
such allowance shall be equal to $\frac{1}{2}$ of the product of—			23 "(d) SPECIAL RULE FOR RATE CHANGE IN MIDDLE
"(A) the number of gallons, in excess of 25,			24 OF MONTHIn the case of any month in which there is an
of gasoline or special fuels on which tax was im-			25 increase in the rate of the taxes imposed by sections 4086 and
			(j. 12) i siin ddaal daal daal daal yn gerodd ar sin - 12

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such gasoline was purchased by the taxpayer

1 posed by section 4086 or 4051 which were pur-

1 4051, the rate of such taxes in effect for such month, for 2 purposes of subsections (b) and (c), shall be deemed to be 3 one-half of the sum of the rate of such taxes in effect on the 4 first day of such month plus the rate of such taxes in effect 5 on the last day of such month."

6 (b) COORDINATION WITH TRADE OR BUSINESS DE-7 DUCTION.—Section 162 (relating to trade or business ex-8 penses) is amended by redesignating subsection (h) as 9 subsection (i) and by inserting after subsection (g) the 10 following new subsection:

11 "(h) COORDINATION OF DEDUCTION WITH CERTAIN
12 PROVISIONS RELATING TO ENERGY CONSERVATION
13 TAXES.—

"(1) SECTION 44B CREDIT .- The amount which, 14 15 but for this paragraph, would be allowable as a deduc-16 tion under this section for amounts paid or incurred for 17gasoline or other fuels subject to tax under section 4086 18 or 4051 shall be reduced by the amount of any credit 19 allowable under section 44B with respect to such gaso-20line or other fuels. 21"(2) REPAYMENT IN CASE OF USE BY TAXICABS .---22The amount which, but for this paragraph, would be 23allowable as a deduction under this section for amounts paid or incurred for gasoline or other fuels which are $\mathbf{24}$ 25subject to tax under section 4086 or 4051 and which $\mathbf{26}$ are used in any taxicab (as defined in section 6429 (c)

...

(2) (B)) while engaged in furnishing qualified taxicab 1 services (as defined in section 6429 (c) (2) (A)) shall 2 3 conclusions and by so much of the tax which was imposed by section 4086 or 4051 on such gasoline or other fuels as 4 was imposed at a rate in excess of 3 cents a gallon." 5(c) REFUND TO BE MADE WHERE CREDIT EXCEEDS 6 LIABILITY FOR TAX.-Section 6401 (b) (relating to exces-7 sive credits) is amended-8 (1) by inserting "44B (relating to use of gasoline 9 and special fuels in businesses or in work-related 10 travel)," before "and 667 (b)"; and 11 12 (2) by striking out "and 44A" and inserting in lieu thereof "44A, and 44B". 13 14 (d) CLEBICAL AMENDMENT.—The table of sections for such subpart A is amended by inserting after the item relat-15 16 ing to section 44A the following: "Sec. 44B. Use of gasoline and special fuels in businesses or in work-related travel," (e) EFFECTIVE DATE.—The amendments made by this 17 section shall apply to taxable years ending after December 18 31, 1976. 19 20SEC. 223. REPAYMENT OF GASOLINE AND SPECIAL FUELS 21CONSERVATION TAXES IN CASE OF CERTAIN 22USES. (a) GENERAL RULE.-Subchapter B of chapter 65 (re-2324 lating to rules of special application for abatements, credits,

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1 and refunds) is amended by adding at the end thereof the	1 was imposed under section 4086, or any other fuel on
2 following new section:	2 the sale of which tax was imposed under section 4051, is
3 "SEC. 6429. REPAYMENT OF GASOLINE AND SPECIAL	3 used on a farm by any person other than the owner,
4 FUELS CONSERVATION TAXES IN CASE OF	4 tenant, or operator of such farm, such owner, tenant, or
5 CERTAIN USES.	5 operator shall be treated as the user and purchaser of
6 (a) USE FOR FARMING PURPOSES	6 such gasoline or other fuel.
7. (1) IN GENERAL. Except as provided in sub-	7 "(b) LOCAL TRANSIT PURPOSES.—
8 section (g) (h), if any gasoline on which tax was im-	8 "(1) IN GENERAL.—Except as provided in sub-
9 posed by section 4086 or any other fuel on the sale of	9 section (g) (h) , if any gasoline on which tax was im-
10 which a tax was imposed by section 4051 is used by any	10 posed by section 4086 or any other fuel on the sale of
11 purchaser of such gasoline or fuel on a farm for farming	11 which a tax was imposed by section 4051 is used by
12 purposes (within the meaning of section 6420(c)),	12 any purchaser of such gasoline or fuel during any cal-
13 the Secretary or his delegate shall pay (without	13 endar quarter in vehicles while engaged in furnishing
14 interest) to such purchaser an amount equal to the	14 scheduled common carrier public passenger land trans-
15 for a sum of the pair of the second of the second is the form for the second	15 portation service along regular routes, the Secretary or
16 "(A) the product of details and the second secon	[•] 16 his delegate shall pay (without interest) to such pur-
17 "(i) the number of gallons of gasoline so	17 chaser an amount equal to $\frac{1}{2}$ of the product of—
18 used; multiplied by	18 "(A) 3 cents multiplied by the number of gal-
19 "(ii) the rate of the tax imposed by section	19 lons of gasoline and other fuel so used; multiplied by
20 4086 in effect for the month in which such gaso-	20 "(B) the percentage which such purchaser's
21 line was purchased; plus	21 commuter fare revenue derived from such scheduled
22 "(B) the amount of the tax imposed by section	22 service during such calendar quarter was of his total
23 4051 on the sale to such purchaser of the other	23 passenger fare revenue derived from such scheduled
24 fuel so used.	24 service during such calendar quarter.
25 "(2) SPECIAL RULE.—If gasoline on which tax	25 "(2) LIMITATION.—This subsection shall apply

1 with respect to gasoline or fuel used by any purchaser	
2 during any calendar quarter only if at least 60 percent	
3 of the total passenger fare revenue derived during such	
4 calendar quarter by such purchaser from scheduled serv-	
5 ice described in paragraph (1) was attributable to com-	
6 muter fare revenue derived during such quarter by such	
7 purchaser from such scheduled service.	ri
8 "(3) COMMUTER FARE REVENUE. For purposes	
9 of this subsection, the term 'commuter fare revenue' has	
10 the meaning given to such term by section 6421 (d) (2).	
11 "(c) USE IN CERTAIN TAXICABS	
12 "(1) IN GENERALExcept as provided in sub-	
13 section (g) (h) , if any gasoline on which tax was im-	
14 posed by section 4086 or any fuel on the sale of which	
15 a tax was imposed by section 4051 is used by any pur-	
16 chaser of such gasoline or fuel in a taxicab while en-	ચ
17 gaged in furnishing qualified taxicab services, the Secre-	* *
18 tary or his delegate shall pay (without interest) to such	
19 purchaser an amount equal to $\frac{3}{4}$ of the sum of—	
20 "(A) the product of	
21 "(i) the number of gallons of gasoline so	
22 used, multiplied by	
23 "(ii) so much of the rate of tax in effect	
24 under section 4086 for the month in which such	

1	gasoline was purchased by the user as exceeds
$\cdot 2$	3 cents per gallon; plus
3	"(B) so much of the tax imposed by section
4	4051 on the sale to such taxpayer of the fuel (other
5	than gasoline) referred to in paragraph (1) as was
6	imposed at a rate in excess of 3 cents a gallon.
7	"(2) DEFINITIONS.—For purposes of this subsec-
8	tion-
9	"(A) QUALIFIED TAXICAB SERVICES.—The
10	term 'qualified taxicab services' means the furnish-
11	ing of nonscheduled passenger land transportation
12	for a fixed fare by a taxicab which is operated by a
13	person who
14	"(i) is licensed to engage in the trade or
15	business of furnishing such transportation by a
16	Federal, State, or local authority having juris-
17	diction over a substantial portion of such trans-
18	portation furnished by such person; and
19	"(ii) is not prohibited under the laws, reg-
20	ulations, or procedures of such Federal, State,
21	or local authority from furnishing (with the
22	consent of the passengers) shared transporta-
23	tion.
24	"(B) TAXICAB.—The term 'taxicab' means
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any land vehicle the passenger capacity of which is
2 less than 10 adult passengers, including the driver.
3 "(3) SPECIAL RULE.—The amount of any payment
under this subsection to any person shall not be included
5 in the gross income of such person.
6 "(d) Use by Section 501(c)(3) ORGANIZATIONS.—
7 Except as provided in subsection (h), if any gasoline on
8 which tax was imposed by section 4086 or any other fuel
9 on the sale of which a tax was imposed by section 4051 is
10 used by any purchaser of such gasoline or fuel which is an
11 organization described in section $501(c)(3)$ which is exempt
12 from tax under section 501(a), other than in an unrelated
13 trade or business (as defined in section 513), the Secretary
14 or his delegate shall pay (without interest) to such purchaser
15 an amount equal to the sum of—
16 "(1) the product of—
(A) the number of gallons of gasoline so used, .
18 multiplied by
19 "(B) the rate of tax in effect under section 4086
20 for the month in which such gasoline was purchased
21 by the user; plus
22 (2) the tax imposed by section 4051 on the sale to
23 such taxpayer of the fuel (other than gasoline) so used.
24 "(d) (e) SPECIAL RULES AND DEFINITION.—
25 "(1) EXEMPT SALES.—No amount shall be pay-
able under this section with respect to any gasoline or

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1	special fuel which the Secretary or his delegate deter-
2	mines was exempt from the tax imposed by section
3	4086 or 4051, as the case may be.
4	"(2) GASOLINE.—The term 'gasoline' has the
5	meaning given to such term by section 4082 (b).
6	"(3) Special rule for rate change in middle
7	OF MONTH.—In the case of any month in which there
8	is an increase in the rate of tax imposed by section 4086,
9	the rate of such tax in effect for such month, for pur-
10	poses of subsections (a) and (c) (a), (c), and (d),
11	shall be deemed to be one-half of the sum of the rate of
12	such tax in effect on the first day of such month plus the
13	rate of such tax in effect on the last day of such month."
14	"(e) (f) TIME FOR FILING CLAIMS; PERIOD COV-
15 ERI	ED
16	"(1) GENERAL RULEExcept as provided by
17	paragraph (2), not more than one claim may be filed
18	under subsection (a), (b), or (c), or (d) by any
19	person with respect to gasoline or any other fuel used
20	during his taxable year. No claim shall be allowed under
21	this section with respect to gasoline or any other fuel
22	used by such person during any taxable year unless filed
23	by such person not later than the time prescribed by law
24	for filing a claim for credit or refund of overpayment of
25	income tax for such taxable year. For purposes of this

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 subsection, a person's taxable year shall be his taxable year for purposes of subtitle A. (2) EXCEPTION.—If \$1,000 or more is payable under this section to any person with respect to gaso-line or any other fuel used during any of the first three quarters of any taxable year ending after the date on which an increase in the rate of tax under section 4086 first takes effect under subsection (b) of such section, a claim may be filed under this section by such person 	 payment made in respect of any such claim, the Secretary or his delegate shall have the authority granted by paragraphs (1), (2), and (3) of section 7602 (relating to examination of books and witnesses) as if the claimant were the person liable for tax. "(g) (h) INCOME TAX CREDIT IN LIEU OF PAX-7 MENT.— "(1) PERSONS NOT SUBJECT TO INCOME TAX.— Payment shall be made under this section only to—
 with respect to gasoline or any other fuel used during such quarter. No claim filed under this subparagraph shall be allowed unless filed on or before the last day of the first quarter following the quarter for which the claim is filed. "(f) (g) APPLICABLE LAWS.— "(1) IN GENERAL.—All provisions of law, includ- ing penalties, applicable in respect of the tax imposed by section 4051 or 4086 shall, insofar as applicable and not inconsistent with this section, apply in respect of the 	 "(A) the United States or an agency or instru- mentality thereof, a State, a political subdivision of a State, or an agency or instrumentality of one of more States or political subdivisions, or "(B) an organization exempt from tax under section 501 (a) (other than an organization re- quired to make a return of the tax imposed under subtitle A for its taxable year). "(2) ALLOWANCE OF CREDIT AGAINST INCOME TAX.—For allowance of credit against the tax imposed
 payments provided for in this section to the same extent as if such payments constituted refunds or overpayments of the tax so imposed. "(2) EXAMINATION OF BOOKS AND WITNESSES.— For the purpose of ascertaining the correctness of any claim made under this section, or the correctness of any 	 by subtitle A for certain uses of gasoline and other fuels, see section 39. "(h) (i) REGULATIONS.—The Secretary or his delegate may by regulations prescribe the conditions, not inconsistent with the provisions of this section, under which payments may be made under this section.

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1 "(i) (j) CROSS REFERENCES.—			1	(2) Section 6206 is amended—
"(1) For civil penalty for excessive claims under this			2	(A) by striking out "AND 6427" in the section
section, see section 6675. "(2) For fraud penalties, etc., see chapter 75 (section			3	heading and inserting in lieu thereof "6427, AND 6429";
7201 and following, relating to crimes, other offenses, and forfeitures)."			4	(B) by striking out "or 6427" each place it
2 (b) Allowance of Credit for Certain Uses.—			5	appears and inserting in lieu thereof "6427, or
3 (1) IN GENERAL.—Subsection (a) of section 39		¥	6	6429"; and
4 (relating to certain uses of gasoline, special fuels, and	y.*	¥	7	(C) by inserting after "under section 6427)"
5 lubricating oil) is amended by striking out "and" at the			8	the following: ", or by section 4051 or 4086 (with
6 end of paragraph (3), by striking out the period at the			9	respect to payments under section 6429)".
7 end of paragraph (4) and inserting in lieu thereof			10	(3) Section 6675 is amended-
8 ", and", and by adding after paragraph (4) the follow-			11	(A) by striking out "or" after "highway motor
9 ing new paragraph:			12	vehicle vehicles)," in subsection (a);
10 "(5) under section 6429 with respect to gasoline			13	(B) by inserting after "fuels not used for tax-
and special fuels used during the taxable year (deter-	-		14	able purposes)" in subsection (a) the following:
12 mined without regard to section $6429(g)$ $6429(h)$."			15	", or 6429 (relating to repayment of gasoline and
13 (2) TECHNICAL AMENDMENT.—Subsection (c) of	*	*	16	special fuels conservation taxes in case of certain
section 39 is amended by striking out "or 6427" and			17	uses)"; and
15 inserting in lieu thereof "6427, or 6429" and by striking	<i>ڊ</i> و	¥.	18	(C) by striking out "or 6427" in subsection
16 out "or 6427 (f)" and inserting in lieu thereof "6427			19	(b) and inserting in lieu thereof "6427, or 6429".
17 (f), or $\frac{6429(g)}{6429(h)}$ 6429(h))".			20	(4) Sections 7210, 7603, and 7604 (b) are each
18 (c) TECHNICAL AND CONFORMING AMENDMENTS			21	amended by inserting "6429(f) (2) 6429(g)(2)," after
19 (1) The table of sections for subchapter B of chap-			22	"6427 (e) (2),".
20 ter 65 is amended by adding at the end thereof the fol-			23	(5) Section 7604 (c) (2) is amended by inserting
21 lowing new item:			24	" $6429(f)(2)$ $6429(g)(2)$," after " $6427(e)(2)$,".
"Sec. 6429. Repayment of gasoline and special fuels conser- vation taxes in case of certain uses."			25	(6) Section 7605 (a) is amended-

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1	(A) by striking out "6427 (e) (2)" the first		1	conservation tax) or section 4051 of such Code (relating to
2	place it appears and inserting in lieu thereof "6427		2	special fuels conservation tax)."
3	(e) (2), 6429(f) (2) 6429(g)(2)"; and		3	(b) HIGHWAY TRUST FUND
4	(B) by striking out "or 6427 (e) (2)" and		4	(1) Paragraph (1) of section 209(a) 209(c) of
5	inserting in lieu thereof " 6427 (e) (2), or 6429		5	the Highway Revenue Act of 1956 is amended-
6	-(f) (2) $6429(g)(2)$ ".		6	(A) by inserting "and" at the end of sub-
7	(d) EFFECTIVE DATES.—		. 7	paragraph (F),
8	(1) FOR SUBSECTIONS (a) AND (c).—The amend-		8	(B) by striking out subparagraph (G),
9	ments made by subsections (a) and (c) shall take effect		9	(C) by redesignating subparagraph (H) as
10	on January 1, 1976.		10	subparagraph (G), and
11	(2) FOR SUBSECTION (b).—The amendments		11	(D) by striking out "subparagraph (H)" in
12	made by subsection (b) shall apply to taxable years		12	the last sentence and inserting in lieu thereof "sub-
13	ending after January 1, 1976.		13	paragraph (G)".
14	PART III-MISCELLANEOUS		14	(2) Paragraph (6) of section 209 (f) of such Act is
15	SEC. 231. TECHNICAL AMENDMENTS WITH RESPECT TO		15	amended by adding at the end thereof the following new
16	CERTAIN TRUST FUNDS.	2	• 16	sentence: "This paragraph shall not apply to amounts
· 17	(a) AIRPORT AND AIRWAY TRUST FUNDParagraph		17	equivalent to the credits so allowed to the extent that the
18	(3) of section 208 (f) of the Airport and Airway Revenue	D	. 18	credits so allowed are estimated by the Secretary of the
19	Act of 1970 (49 U.S.C. 1742) is amended by adding at the		19	Treasury to be attributable to the tax imposed by section
20	end thereof the following new sentence: "This paragraph		20	4086 of such Code (relating to gasoline conservation
21	shall not apply to amounts equivalent to the credits so		21	tax) or section 4051 of such Code (relating to special
22	allowed to the extent that the credits so allowed are estimated		22	fuels conservation tax)."
23	by the Secretary of the Treasury to be attributable to the tax		23	(c) EFFECTIVE DATE.—The amendments made by this
24	imposed by section 4086 of such Code (relating to gasoline		24	section shall take effect on January 1, 1976.

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1	TITLE III—OTHER ENERGY CON-
2	SERVATION PROGRAMS
3	PART I-AUTOMOBILE FUEL EFFICIENCY TAX
4	SEC. 311. AUTOMOBILE FUEL EFFICIENCY TAX.
5	(a) GENERAL RULE.—Part I of subchapter A of chap-
6	ter 32 (relating to motor vehicle excise taxes) is amended
7	by adding at the end thereof the following new section:
8	"SEC. 4064. AUTOMOBILE FUEL EFFICIENCY TAX.
9	"(a) IMPOSITION OF TAX.—If the fuel mileage rating
10	of any manufacturer or importer for the model year 1978,
11	1979, or 1980 is below the fuel mileage standard for that
12	model year provided by subsection (b), a tax is hereby im-
13	posed on each automobile produced by such manufacturer
14	(or imported by such importer) during such model year
15	which has a fuel mileage rating below the fuel mileage stand-
16	ard provided by subsection (b) for that model year. The tax
17	imposed by this section shall be paid by the manufacturer or
18	the importer, as the case may be.
19	"(b) FUEL MILEAGE STANDARDFor purposes of
20	this section—
	The fuel mileage standard

"For the model year—	The fuel mileage stand (in miles per gallon) is	ard s
1978		18
1979		19
1980		20

21 "(c) Amount of Tax.—

22 "(1) IN GENERAL.—In the case of any automobile

1	subject to tax under this section, the amount of such tax
2	shall be the applicable percentage of the price for which
3	such automobile (including parts and accessories, other
4	than radial tires, sold on or in connection therewith or
5	with the sale thereof) is sold by the manufacturer or
6	importer.
7	"(2) APPLICABLE PERCENTAGE.—For purposes of
8	this section, the applicable percentage shall be the per-
9	centage (for the model year in which the automobile is
10	produced or imported, as the case may be) determined

11 in accordance with the following table:

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		The p	ercentag	e is—
	"If the fuel mileage rating (in miles per gallon) is—	1978 model year	1979 model year	1980 model year
	20 or more	• 0 ⇒ • =	0	0
	19 or more but less than 20	0	0	2
	18 or more but less than 19	0 2	2 3	3
	17 or more but less than 18 16 or more but less than 17			45
	15 or more but less than 16		2 5	6
	Less than 15		6	7
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12	"(d) RECOMMENDATIONS FOR M	IODEL 2	YEARS .	AFTER
13	1980.—Before March 15, 1978, the	Admini	strator	of the
14	Federal Energy Administration shall s	ubmit to	the Co	ngress
15	a report as to whether the fuel mileage	e standa	rd for 1	.980 is
16	attainable by the automobile manufa	cturers	subject	to the
17	tax, and tax and recommendations—			
18	"(1) as to whether the tax in	nposed	by this	section
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19 shall be continued beyond the model year 1980, and

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8 9 10 11 12 13 14 15 16 17 18 19 20	<page-header><list-item><list-item></list-item></list-item></page-header>	U. T L	1judicial review of such determination. Upon the fil-2ing of such petition, the court shall have jurisdiction3to review such determination in accordance with4chapter 7 of title 5, United States Code, and to grant5appropriate relief as provided in such chapter.6"(2) INTERAGENCY COOPERATION.—In order to7avoid unnecessary expense and duplication, the Secre-8tary or his delegate shall make such arrangements or9agreements for cooperation or mutual assistance in the10performance of his functions under this section and the11functions of any department, agency, or establishment12of the United States, as he may find practicable and13consistent with law. The Secretary or his delegate may14have access to and utilize, on a reimbursable or other15basis, information, facilities, or services of any depart-16ment, agency, or establishment of the United States; and17each such department, agency, or establishment shall18cooperate with the Secretary or his delegate and, to the19extent permitted by law, provide such information, fa-20cilities, or services as he may request.
20 21 22 23 24 25			 cilities, or services as he may request. "(3) FUEL MILEAGE RATING.—The term 'fuel mileage rating' means, with respect to any class of automobiles, the number of miles which an automobile in such class can be expected to travel for each gallon of fuel which it consumes.

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1 (4) PROCEDURE FOR DETERMINING FUEL MILE-		1	pound increments for automobiles which have inertia
2 AGE RATINGS The Secretary or his delegate shall,		2	weights of 3,000 pounds or more.
3 by regulations, establish procedures for conducting tests		3	"(f) DETERMINATION OF FUEL MILEAGE RATING
4 to determine the fuel mileage ratings of automobiles		4	FOR EACH MANUFACTURER OR IMPORTER
5 which may be subject to tax under this section. Under	د ي	5	"(1) MANUFACTURER.—The fuel mileage rating
6 such regulations the Secretary or his delegate shall		6	of any manufacturer for any model year shall be based
7 establish separate classes of automobiles which may be	ч	· 7	on all automobiles produced by such manufacturer in
8 based upon-		8	the United States or Canada during such model year.
9 "(A) the manufacturer (or division of the		9	"(2) IMPORTER.—The fuel mileage rating of any
10 manufacturer) of the automobiles;		10	importer for any model year shall be based on all new
11 "(B) the engine family of the automobiles		11	automobiles imported into the United States during such
12 (which takes into account the type of engine, fuel		12	model year which were produced (outside the United
13 induction system, and emission control system);		13	States and Canada) by the manufacturer who produced
14 "(C) the type of transmission of such automo-		14	the automobiles imported by such importer. If there is
15 biles;		15	more than one such manufacturer, the importer shall
16 "(D) whether or not the automobiles have air	4	• 16	have a separate fuel mileage rating with respect to the
17 conditioners;	~	. 17	automobiles of each such manufacturer.
18 "(E) whether or not the automobiles are		18	"(3) SPECIAL RULES For purposes of this sub-
19 station wagons; and		19	section-
20 "(F) the inertia weight of the automobiles.		20	"(A) PERSONS WHO MANUFACTURE AND IM-
21 For purposes of subparagraph (F), the inertia		21	PORT.—A person who is both a manufacturer and an
22 weight shall be taken into account in categories of 250-		22	importer shall be treated-
23 pound increments for automobiles which have inertia		23	"(i) as a manufacturer with respect to
24 weights under 3,000 pounds, and in categories of 500-		24	automobiles described in paragraph (1), and
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"(ii) as an importer with respect to automobiles described in paragraph (2). 2 A person who manufactures automobiles in the United States shall be treated as the importer of all automobiles produced by such manufacturer which 6 are imported into the United States. 7 "(B) CERTAIN IMPORTS FROM CANADA.-A 8 person who is not a manufacturer with respect to 9 automobiles described in paragraph (1) but who imports automobiles from Canada shall be treated 10 as an importer with respect to such automobiles. 11 "(C) PRODUCTION IN UNITED STATES OR 12 CANADA.—An automobile is produced in the United 13 14 States or Canada if at least 50 75 percent of the cost to the manufacturer of such automobile is attributa-15 of toogen ble to value added in the United States or Canada. 16 17 Any automobile not described in the preceding sentence the production of which is completed in the 18 United States shall be treated as having been im-19 ported (at the time of such completion) into the 20 United States. 21 "(D) TREATMENT OF CERTAIN EXPORTS AND 22 IMPORTS AND SALES FOR FURTHER MANUFAC-23

24 TURE.—An automobile otherwise taken into account

under paragraph (1) shall not be taken into account 2 gross vehicle (1) afgaragraph (1) and robust of less (2) 3 and vd bedinser (i) if it is sold to any person before the close of the model year in which it is produced 5 for use in further manufacture, doidy of G 7 States before the close of the model year in S and be which it is produced, or isoborg launa d Sta 8 one lo Louise (iii) in the case of an automobile the 10 grodaction of which is completed in Canadel It outside the United States, unless it is imported into the United States before the close of the 12 13 model year in which it is produced. "(E) PERSONS UNDER COMMON CONTROL. 14 All persons who control, at eanthelled by, or are 15 (b) under common control with any person shall be 16 (e) "(g) DEFINITIONS AND SPECTAL RULES .--- For pur-18 19 mposes of this section of automotive letot add. (1) 20 yd bebiris (1) of Auronomine, 1 Thed term atomobiles sum of terms, each term of which is a Landom creators "(A) any passenger automobile (within the 22 meaning of such term as used in section 4061 (b) 23 24 group to be taken into account. to, ((2) 24 25 (B) the fuel mileage 3 mileage 8 mileage 1 auto-

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"(B) any automobile truck or bus which has a
 gross vehicle weight of 6,000 pounds or less (as
 determined under regulations prescribed by the Sec retary or his delegate),
 which uses gasoline or diesel fuel as a fuel for propulsion.
 "(2) MODEL YEAR.—The term 'model year' means,

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with reference to any calendar year, the manufacturer's 7 8 annual production period (as determined by the Secretary or his delegate) which includes January 1 of such 9 calendar year. If the manufacturer has no annual pro-10 duction period, the term 'model year' means the calen-11 12 dar year. 4. T "(3) MANUFACTURER,—The term 'manufacturer' 13 includes a producer. 14 "(4) RADIAL TIRE,—The term 'radial tire' has the 15 meaning given to such term by section 4072 (d). 16 "(5) MATHEMATICAL CALCULATIONS.-In deter-17 mining any fuel mileage rating under subsection (e) or 18 (f), the total number of automobiles to be taken into 19

20account for that determination is to be divided by a21sum of terms, each term of which is a fraction created22by dividing—23"(A) the number of automobiles within each24group to be taken into account, by

25 (B) the fuel mileage rating for the auto-

mobiles within such group rounded to the nearest ៅ់ 1/10 of a mile per gallon. detracted and gallon 2 "(6) CHANGES IN EMISSIONS STANDARDS.-If 3 there is any change (whether by law or by administra-4 tive action) from the Federal emissions standards which $\mathbf{5}$ apply to automobiles produced on May 1, 1975, the 6 Secretary or his delegate shall determine by rule (in 7 accordance with section 553 of title 5. United States 8 Code) and publish in the Federal Register-9 "(A) the extent (if any) to which such change 10 reduces fuel mileage, and 11 "(B) the modifications in the fuel mileage 12 standard set forth in subsection (a) (2), and in the 13 mileage brackets of the table set forth in subsection 14 (a) (3), which are necessary to reflect the reduction 15 in fuel mileage resulting from such change. 16 17 Any modifications published under this paragraph shall 18 have the force and effect of law and shall apply to all 19 automobiles produced or imported to which the changed emissions standards apply as if such modifications were 20contained in this section. 21"(h) EXEMPTIONS.—Under regulations prescribed by 22the Secretary or his delegate, for purposes of this section the 23term 'automobile' does not include- $\mathbf{24}$

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1 "(1) an ambulance, hearse, or combination			1 (2) Section 6161 (b) (1) (relating to extensions
2 ambulance-hearse,			2 of time for paying tax) is amended by inserting after
3 "(2) any bus which is to be used predominantly			3 "or 43," the following: "or by section 4064,". The sec-
4 by the purchaser in mass transportation services in urban			4 ond sentence of such section 6161 (b) is amended by
5 areas, or	• •		5 inserting after "chapter 43," the following: "or by sec-
6 "(3) any bus sold to any person for use exclusively			6 tion 4064 of chapter 32,".
7 in transporting students and employees of schools oper-	14	•	7 (3) Section 6201 (d) (cross reference) is amended
8 ated by State or local governments or by nonprofit			8 by striking out "and chapter 43 taxes" and inserting in
9 educational organizations (within the meaning of section			.9 lieu thereof the following: "chapter 43, and section 4064
10 4221 (d) (5)).			10 taxes".
11 For purposes of paragraph (3), incidental use of a bus in			11 (4) Section 6211 (defining deficiency) is
12 providing transportation for State or local government or			12 amended—
13 a nonprofit organization described in section 501 (c) which			13 (A) by striking out so much of subsection (a)
14 is exempt from tax under section 501 (a) shall be disre-			14 as precedes paragraph (1) and inserting in lieu
15 garded.			15 thereof the following:
16 "(i) APPLICATION OF CERTAIN SECTIONS.—Sections	4	ŧ	16 "(a) IN GENERAL.—For purposes of this title in the
17 4221 and 4293 shall not apply to the tax imposed by this		_	17 case of income, estate, and gift taxes imposed by subtitles
18 section, and section 4216 (b) shall apply in determining the	*	•	18 A and B and excise taxes imposed by section 4064 or by
19 constructive sales price of any automobile taxable under this			19 chapters 42 and 43, the term 'deficiency' means the amount
20 section."			20 by which the tax imposed by subtitle A or B, by section
21 (b) TECHNICAL AND CLERICAL AMENDMENTS			21 4064; or by chapter 42 or 43, exceeds the excess of-"; and
			(B) by inserting after "or B" in subsection
22 (1) The table of sections for part I of subchapter A			(b) (2) the following: ", section 4064,".
23 of chapter 32 is amended by adding at the end thereof			(5) Section 6212 (relating to notice of deficiency)
24 the following new item: "Sec. 4064. Automobile fuel efficiency tax."			25 is amended—
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These are the goal (A) by inserting after "or B" in subsection (a) the following: ", section 4064.":

3 (B) by inserting after "chapter 12" each place 4 house it appears in subsection (b) (1) the following: ", 5 section 4064,";

6 (C) by striking out "TAXES IMPOSED BY CHAPTER 42" in the heading of subsection (b) (1) 1.7 module 1.18 and inserting in lieu thereof "CERTAIN EXCISE 1914 He have TAXES"; if the later has it should be it in the

(D) by striking out "or of chapter 42 tax" in 10 subsection (c) (1) and inserting in lieu thereof "of 12chapter 42 tax": and

(E) by inserting after "to which such peti-13 tion relates" the following: ", or of section 4064 14 tax with respect to the calendar year to which such 1516 petition relates".

17 (6) Section 6213 (relating to restrictions applica-18 ble to deficiencies and petition to Tax Court) is amended by inserting after "or B" in subsection (a) the following 19 20 ", section 4064.". 21 (7) Section 6214 (d) (relating to final decisions of 22Tax Court) is amended by inserting after "this chapter," 23the following: "section 4064,".

1 (relating to cross references) is amended by inserting before "chapter 42" the following: "section 4064 or".

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(9) Section 6512 (relating to limitations in case 4 5 of petition to Tax Court) is amended-

6 (A) by striking out "or 43" each place it appears therein and inserting in lieu thereof ", 43", 7 and 8

9 de la de l 10. relates" the following: ", or of section 4064 tax with respect to the calendar year to which such 11 petition relates"..... 12

(10) Section 6601 (d) (relating to interest on 13 underpayment, nonpayment, or extensions of time for 14 payment of tax) is amended by striking out in the head-15 16 ing thereof "CHAPTER 42 or 43" and inserting in lieu 17 thereof "CERTAIN EXCISE".

18 (11) Section 7422 (e) (relating to civil actions for 19 refund) is amended by inserting before "chapter 42" 20 the following: "section 4064 or". 19.1 1

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1 PART II-INTERCITY BUSES, RADIAL TIRES, AND 24 reigado" eroled on REREFINED OIL (seenere SEC. 321. REPEAL OF EXCISE TAX ON BUSES USED IN 3 4 INTERCITY PUBLIC TRANSPORTATION. (a) GENERAL RULE. -- Paragraph (6) of section 4063 5 6 (volating to exemption from excise tax for local transit buses) 7 is amended to read as follows: "(6) PUBLIC TRANSPORTATION BUSES.—The tax 8 19 imposed under section 4061 (a) shall not apply in the 10 1801 case of automobile bus chassis or automobile bus bodies die doi which are to be used predeminantly by the purchaser in public passenger transportation service." 12 13 troub (b) EFFECTIVE DATE. 14 and lo a(1) IN GENERAL .- The amendment made by sub-15 of section (a) shall apply with respect to articles sold on 16 in yor after the date of the enactment of this Act. 17 (2) WHEN SOLD +- For purposes of paragraph (1), 18 anothen article shall not be considered sold before the date 19 191 of the enactment of this Act unless possession or right to possession passes to the purchaser before such date. 20 21 (3) TRANSITIONAL RULE FOR LEASES, INSTALL-MENT CONTRACTS, ETC.-In the case of-22 (A) a lease. 23

24 (B) a contract for the sale of an article where
25 it is provided that the price shall be paid by in-

stallments and title to the article sold does not pass
 until a future date notwithstanding partial payment
 by installments,

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4 (C) a conditional sale, or 5 (D) a chattel mortgage arrangement wherein 6 it is provided that the sale price shall be paid in 7 installments,

entered into before the date of the enactment of this 8 Act, payments made on or after such date with respect 9 to the article leased or sold shall, for purposes of para-10 graph (1), be considered as payments made with re-11 spect to an article sold on or after such date, if the 12 lessor or vendor establishes that the amount of payments 13 payable on or after such date with respect to such 14 article has been reduced by an amount equal to that 15 portion of the tax applicable with respect to the lease 16 or sale of such article which is due and payable on or 17 after such date. If the lessor or vendor does not establish 18 that the payments have been so reduced, they shall be 19 treated as payments made with respect to an article 20 sold before the date of the enactment of this Act. 21 SEC. 322. REPEAL OF EXCISE TAX ON RADIAL TIRES. 22 (a) REPEAL OF TAX ON NEW RADIAL TIRES.—Section 23 24 4073 (relating to exemptions from tax on tires and tubes) is

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1 amended by adding at the end thereof the following new	1 "(L) in the case of tread rubber in respect of
2. subsection: Manual antice and a descent of the second	2 which tax was paid under section 4071 (a) (4),
3 "(d) RADIAL TIRES.—The tax imposed by section	3 used or sold for use (i) in recapping or retreading
4 4071 shall not apply to radial tires."	4 radial tires (as defined in section 4072 (d)) or (ii)
5 (b) REPEAL OF TAX ON TREAD RUBBER USED TO	5 otherwise than in the recapping or retreading of
6 RETREAD OR RECAP RADIAL TIRES.—Subsection (c) of	6 tires of the type used on highway vehicles (as de-
7 section 4073 (relating to exemption from tax on tread	7 fined in section 4072 (c)), unless credit or refund of
8 rubber in certain cases) is amended by striking out "such	such tax is allowable under subsection (b) (3);
9 person" and all that follows and inserting in lieu thereof the	9 (e) EFFECTIVE DATE.—
10 following: "such person-	10 (1) IN GENERAL.—The amendments made by this
11 "(1) in the recapping or retreading of radial tires,	11 section shall apply with respect to sales of radial tires
12 algo or the state of the set o	12 (as defined in section 4072 (d) of the Internal Revenue
13 "(2) otherwise than in the recapping or retread-	13 Code of 1954), and tread rubber (as defined in section
14 ing of tires of the types used on highway vehicles."	14 4072 (b) of such Code), after March 17, 1975.
15 (c) DEFINITION OF RADIAL TIRE.—Section 4072 (re-	15 (2) FLOOR STOCKS REFUNDS.—Section 6412 (a)
16 lating to definitions) is amended by adding at the end there-	" (relating to floor stocks refunds) is amended by insert-
17 of the following new subsection	ing immediately before paragraph (2) the following
18 "(d) RADIAL TIRE.—For purposes of this part, the	18 new paragraph:
	19 "(1) RADIAL TIRES.—Where before March 18,
	20 1975, any radial tire (as defined in section 4072 (d))
	subject to the tax imposed by section 4071 (a) has been
	sold by the manufacturer, producer, or importer and on
	such date is held by a dealer and has not been used and
23 (d) TECHNICAL AMENDMENT.—Subparagraph (L) of	is intended for sale, there shall be credited or refunded
24 section 6416 (b) (2) (relating to specified uses and resales)	(-il and interest) to the manufacturer producer or
25 is amended to read as follows: and the second state of the seco	25 (without interest) to the manufacturer, producer, or

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importer an amount equal to the tax paid by such manu-1 facturer, producer, or importer on his sale of such tire if 2 claim for such credit or refund is filed with the Secretary or his delegate on or before December 31, 1975, based 4, upon a request submitted to the manufacturer, producer, 5 or importer before October 1, 1975, by the dealer who 6 held such tire in respect of which the credit or refund is 7 claimed, and, on or before December 31, 1975, reim-8 bursement has been made to such dealer by such manu-9 facturer, producer, or importer for the tax on such tire or 10 written consent has been obtained from such dealer to 11 allowance of such credit or refund." 12 SEC. 323. REREFINED LUBRICATING OIL. 13 (a) IN GENERAL.—Section 4093 (relating to exemp-14 tion of sales to producers) is amended to read as follows: 15 "SEC. 4093. EXEMPTIONS. .16is! "(a) SALES TO MANUFACTURERS OR PRODUCERS FOR 17 RESALE.—Under regulations prescribed by the Secretary or 18 his delegate, no tax shall be imposed by section 4091 on 19 lubricating oils sold to a manufacturer or producer of lubri-20 cating oils for resale by him. 21 1.7 "(b) USE IN PRODUCING REREFINED OIL.---22 ting . "(1) SALES TO REREFINERS.—Under regulations 23 prescribed by the Secretary or his delegate, no tax shall 24be imposed by section 4091 on lubricating oil sold for 25

1 use in mixing with used or waste lubricating of which 2 has been cleaned, renovated, or rerefined. Any person to whom lubricating oil is sold tax-free under this para-3 graph shall be treated as the producer of such lubricat-4 ing oil." I have been a subscript (it. 5 "(2) USE IN PRODUCING REREFINED OFL. Under 6 regulations prescribed by the Secretary or his delegate. 7 no tax shall be imposed by section 4091 on lubricating 8 oil used in producing rerefined oil to the extent that the 9 10 amount of such lubricating oil does not exceed 55 per-11 cent of such rerefined oil. 12 (3) REREFINED OIL DEFINED. For purposes of this subsection, the term 'rerefined oil' means oil 25 13 14 mobil percent or more of which is used or waste lubricating oil which has been cleaned; renovated, or rerefined." 15 (b) CONFORMING AMENDMENT: Section 4092 (a) is 16 17 amended by striking out "4098" and inserting in lieu thereof 181 (4093 (a). 2. Bolt (b) to a solid by becaute the state 19 (c) CLERICAL AMENDMENT. The table of sections for

20 subpart B of part III of subchapter A of chapter 32 is 21 amended by striking out the item relating to section 4093 22 and inserting in lien thereof the following:

23 (d) EFFECTIVE DATE.—The amendments made by this
24 section shall apply to sales after March 1/7, 1975.

"Sec. 4093. Exemptions."

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importer an amount equal to the tax paid by such manu-2 facturer, producer, or importer on his sale of such tire if 3 claim for such credit or refund is filed with the Secretary or his delegate on or before December 31, 1975, based (4) 10 15 upon a request submitted to the manufacturer, producer, or importer before October 1, 1975, by the dealer who - 6 held such tire in respect of which the credit or refund is 8 claimed, and, on or before December 31, 1975, reimbursement has been made to such dealer by such manu-9 facturer, producer, or importer for the tax on such tire or 10 written consent has been obtained from such dealer to .11 allowance of such credit or refund." 12 SEC. 323. REREFINED LUBRICATING OIL. 13 (a) IN GENERAL.-Section 4093 (relating to exemp-14 tion of sales to producers) is amended to read as follows: 15 16 "SEC. 4093. EXEMPTIONS. 17 "(a) SALES TO MANUFACTURERS OR PRODUCERS FOR RESALE.—Under regulations prescribed by the Secretary or 18 his delegate, no tax shall be imposed by section 4091 on 19 20 lubricating oils sold to a manufacturer or producer of lubri-21 cating oils for resale by him. 22 "(b) USE IN PRODUCING REFEINED OIL 23. "(1) SALES TO REREFINERS. Under regulations 24 prescribed by the Secretary or his delegate, no tax shall 25 be imposed by section 4091 on lubricating oil sold for

1 use in mixing with used or waste lubricating of which 2 has been cleaned, renovated, or rerefined. Any person to whom lubricating oil is sold tax-free under this para-3 graph shall be treated as the producer of such lubricat-4 (a) GENERAL RULE .- Subpart A of pario gai of suit (adamol" (2) Use in producing REREFINED ofL.-Under regulations prescribed by the Secretary or his delegate, 37 no tax shall be imposed by section 4091 on lubricating 8 of used in producing rerefined oil to the extent that the 9 10 mount of such lubricating oil does not exceed 55 per-11 beso cent of such rerefined oil a a bowolls of links ered in 12 (13) REREFINED OIL DEFINED.-For purposes of 13 this subsection, the term 'rerefined oil' means oil 25 14 appropriet or more of which is used or waste lubricating .00 oil which has been cleaned; renovated, or rerefined." 15 (b) CONFORMING AMENDMEDT. Section 4092 (a) is 16 17 amended by striking out "4098" and inserting in lieu thereof 18 1 (4093 (a) 1. Ilade (a) anoisocation (a) shall . "(a) 8004! tak 19 (c) CLERICAL AMENDMENT .- The table of sections for 20 subject B of part III of subchapter A of chapter 32 is amended by striking out the item relating to section 4093 21 and inserting in lien thereof the following: 22

"Sec. 4093. Exemptions." 23. (d) EFFECTIVE DATE.—The amendments made by this 24 section shall apply to sales after March 1/7, 1975.

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1 PART III-TAX INCENTIVES FOR CERTAIN	1 "(C) section 38 (relating to investment in cer-
2 ENERGY-RELATED IMPROVEMENTS OF BUILD-	2 tain depreciable property and purchases of certain
3 States INGS were seen to a state of the first state of the states of the	3 recyclable waste),
4 SEC. 331. INSULATION OF PRINCIPAL RESIDENCE.	4 "(D) section 40 (relating to expenses of work
5 (a) GENERAL RULE.—Subpart A of part IV of sub-	5 incentive programs),
6 chapter A of chapter 1 (relating to credits allowable) is	6 "(E) section 41 (relating to contributions to
7 amended by inserting immediately before section 45 the	candidates for public office),
8 following new section:	8 "(F) section 42 (relating to credit for personal
9 "SEC. 44C. INSULATION OF PRINCIPAL RESIDENCE.	9 exemptions), and the second se
10 "(a) GENERAL RULEIn the case of an individual,	10 "(G) section 44 (relating to purchase of new
11 there shall be allowed as a credit against the tax imposed by	11 principal residence).
12 this chapter for the taxable year an amount equal to 30 per-	12 "(2) PRIOR EXPENDITURES TAKEN INTO AC-
13 cent of the qualified insulation expenditures paid by the tax-	13 COUNTIf-
14 payer during the taxable year with respect to any residence	14 "(A) the taxpayer made qualified insulation
15 to the extent that such expenditures do not exceed \$500.	15 expenditures with respect to any residence in any
16 (b) LIMITATIONS.—	16 prior taxable year, or
17 "(1) APPLICATION WITH OTHER CREDITS.—The	. 17 "(B) any prior occupant of any residence made
18 credit allowed by subsection (a) shall not exceed the	18 qualified insulation expenditures with respect to such
amount of the tax imposed by this chapter for the tax-	19 Augustica residence, residence, en aus interior interiores esp
20 able year reduced by the sum of the credits allowable	20 then subsection (a) shall be applied with respect to
21^{10} under—ender station and the state of the state	21 such residence for the taxable year by reducing (but
22 "(A) section 33 (relating to foreign tax	22 not below zero) the \$500 amount contained in such
23 credit), the state set is a set of the se	23 subsection by the aggregate of the expenditures de-
24 "(B) section 37 (relating to retirement in-	24 scribed in subparagraphs (A) and (B).
25 come),	25 "(3) VERIFICATION.—No credit shall be allowed
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1 under subsection (a) with respect to any qualified insula-2 tion expenditures unless such expenditures are verified in 3 such manner as the Secretary or his delegate shall pre-4 scribe by regulations.

5 "(c) DEFINITIONS AND SPECIAL RULES.—For pur-6 poses of this section—

"(1) QUALIFIED INSULATION EXPENDITURES .---The term 'qualified insulation expenditures' means any 19110219 amount paid by an individual for any installation (other 9 10 than pursuant to a reconstruction of the dwelling unit) which occurs after March 17, 1975, and before Janu-11 ary 1, 1978, of insulation in any dwelling unit which-12 "(A) at the time of such installation is used by 13 14 the individual as his principal residence; and 15 "(B) is in existence on March 17, 1975, and used on such date by one or more individuals as a 16 17 residence. 18 Such term shall only include amounts paid for the original installation of any insulation in a dwelling unit. 19 "(2) INSULATION.—The term 'insulation' means 20 any insulation, storm (or thermal) window or door, or 21 any other similar item-22 "(A) which is specifically and primarily de-23 signed to reduce, when installed in or on a building, 24 25 the heat loss or gain of such building,

1 "(B) the original use of which commences 2 with the taxpayer,

3 "(C) which has a useful life to the taxpayer
4 of at least 3 years, and

"(D) which meets such performance standards 5 as the Secretary or his delegate may prescribe by 6 7 regulations after consultation with the Administra-8 tor of the Federal Energy Administration and the Secretary of Housing and Urban Development. 9 "(3) JOINT OCCUPANCY.-In the case of any 10 dwelling unit which is jointly occupied and is used 11 during any calendar year as a principal residence, by 12 two or more individuals-13

"(A) the amount of the credit allowable under 14 subsection (a) (after applying subsection (b) (2)) 15 with respect to any qualified insulation expenditures 16 paid during such calendar year by any of such indi-17 viduals with respect to such dwelling unit shall be 18 determined by treating all of such individuals as one 19 taxpayer whose taxable year is such calendar year; 20 21 and and a second day taken a sublimous for the second s "(B) each of such individuals shall be allowed 22 a credit under subsection (a) for the taxable year 23 in which such calendar year ends (subject to the 24 limitation of subsection (b) (1)) in an amount 25 H.R. 6860-6

which bears the same ratio to the amount determined under subparagraph (A) as the amount paid
by such individual during such calendar year for
such expenditures bears to the aggregate of the
amounts paid by all of such individuals during such
calendar year for such expenditures.

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7 "(4) TENANT-STOCKHOLDER IN COOPERATIVE
8 HOUSING CORPORATION.—In the case of an individual
9 who holds stock as a tenant-stockholder (as defined in
10 section 216) in a cooperative housing corporation (as
11 defined in such section), such individual—

12 "(A) shall be treated as owning the dwelling 13 unit which he is entitled to occupy as such stock-14 holder; and

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16 (b) (3)) of any qualified insulation ex18

19 "(d) REDUCTION OF BASIS.—The basis of any prop-20 erty shall not be increased by the amount of any qualified 21 insulation expenditures made with respect to such property 22 to the extent of the amount of any credit allowed under this 23 section with respect to such expenditures.

24 "(e) TERMINATION.—This section shall not apply to 25 any amount paid after December 31, 1977."

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1 (b) TECHNICAL AND CONFORMING AMENDMENTS
2 (1) The table of sections for such subpart A is
3 amended by inserting immediately before the item relat-
4 ing to section 45 the following new item:
"Sec. 44C. Insulation of principal residence."
5 (2) Section 56(a) (2) (relating to imposition of
6 minimum tax) is amended by striking out "and" at the
7 end of clause (vi), by striking out "; and" at the end
8 of clause (vii) and inserting in lieu thereof ", and", and
9 by inserting after clause (vii) the following new clause:
10 "(viii) section 44C (relating to insulation
11 of principal residence) ; and".
12 (3) Section 56(c) (1) (relating to tax carry-
13 overs) is amended by striking out "and" at the end of
14 subparagraph (F), by striking out "exceed" at the end
15 of subparagraph (G) and inserting in lieu thereof "and",
16 and by inserting after subparagraph (G) the following
17 new subparagraph:
18 "(II) section 44C (relating to insulation of
19 principal residence), exceed".
20 (4) Subsection (a) of section 1016 (relating to
21 adjustments to basis) is amended by striking out the
22 period at the end of paragraph (22) and inserting in
23 lieu thereof a semicolon and by inserting after para-
24 graph (22) the following new paragraph:

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1	"(23) to the extent provided in section $44C(d)$,			1	ment expenditures paid by the taxpayer during the
2	in the case of property with respect to which a credit			2	taxable year with respect to such residence to the extent
3	has been allowed under section 44C."			3	that such expenditares exceed \$1,000 but do not exceed
4	(5) Section 6096 (b) (relating to designation of			4	\$2,000.
5	income tax payment to Presidential Election Campaign	۲.		5	"(b) LIMITATIONS
·6	Fund) is amended by striking out "and 44" and in-			6	"(1) APPLICATION WITH OTHER CREDITS.—The
'7	serting in lieu thereof "44, and 44C".	*1	¥	7	credit allowed by subsection (a) shall not exceed the
8	(c) EFFECTIVE DATE.—The amendments made by			8	amount of the tax imposed by this chapter for the
9	this section shall apply to amounts paid after March 17,			9	taxable year reduced by the sum of the credits allowable
10	1975, in taxable years ending after such date.			10	under
11	SEC. 332. RESIDENTIAL SOLAR ENERGY EQUIPMENT.			11	"(A) section 33 (relating to foreign tax
12	(a) GENERAL RULESubpart A of chapter IV of sub-			12	credit),
13	chapter A of chapter 1 (relating to credits allowable) is		٩	13	"(B) section 37 (relating to retirement in-
14	amended by inserting immediately before section 45 the			14	come),
15	following new section:			15	"(C) section 38 (relating to investment in cer-
16	"SEC. 44D. RESIDENTIAL SOLAR ENERGY EQUIPMENT.	A	ŧ	16	tain depreciable property and purchases of certain
17	"(a) GENERAL RULE.—In the case of an individual,	يھ.	٠	17	recyclable waste),
18	there shall be allowed as a credit against the tax imposed by			18	"(D) section 40 (relating to expenses of work
19	this chapter for the taxable year an amount equal to the			19	incentive programs),
20	sum of			20	"(E) section 41 (relating to contributions to
21	"(1) 40 percent of the qualified solar energy equip-			21	candidates for public office),
22	ment expenditures paid by the taxpayer during the tax-			22	"(F) section 42 (relating to credit for personal
23	able year with respect to any residence to the extent			23	exemptions),
24	that such expenditures do not exceed \$1,000, plus			24	"(G) section 44 (relating to purchase of new
25	"(2) 20 percent of the qualified solar energy equip-			25	principal residence), and

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1 "(H) section 44C (relating to insulation of		1 "(2) SOLAR ENERGY EQUIPMENT.—The term 'so-
2 principal residence).		2 lar energy equipment' means equipment
3 "(2) PRIOR EXPENDITURES TAKEN INTO AC-		3 "(A) which, when installed in or on a
4 COUNT.—If—		4 building-
5 "(A) the taxpayer made qualified solar energy		5 "(i) uses solar energy to heat or cool
6 equipment expenditures with respect to any resi-	∢∵ t	6 such building or provide hot water for use with-
7 dence in any prior taxable year, or	€ . ¥ .	7 in such building; and
8 "(B) any prior owner of such residence made		8 "(ii) meets the definitive performance cri-
9 qualified solar energy equipment expenditures with		9 teria prescribed by the Secretary of Housing
10 respect to such residence,		10 and Urban Development under the Solar Heat-
11 then subsection (a) shall be applied with respect to		11 ing and Cooling Demonstration Act of 1974;
12 such residence for the taxable year by reducing (but		12 "(B) the original use of which commences
13 not below zero) the dollar amounts contained in such		13 with the taxpayer; and
14 subsection by the aggregate of the expenditures described		14 "(C) which has a useful life of at least 3 years.
15 in subparagraphs (A) and (B).		15 "(3) JOINT OWNERSHIP.—In the case of any build-
16 "(c) DEFINITIONS AND SPECIAL RULES.—For pur-	7 4	16 ing which is jointly owned, and is used during any
17 poses of this section—	<u>.</u>	17 calendar year as a principal residence, by two or more
18 "(1) QUALIFIED SOLAR ENERGY EQUIPMENT EX-	* *	18 individuals-
19 PENDITURES.—The term 'qualified solar energy expend-		19 "(A) the amount of the credit allowable under
20 itures' means any amount paid by an individual for any		20 subsection (a) (after applying subsection (b) (2).)
21 installation which occurs after March 17, 1975, and		with respect to any qualified solar energy equipment
22 before January 1, 1981, of solar energy equipment, in		22 expenditures paid during such calendar year by any
23 any dwelling unit which at the time of such installation		of such individuals with respect to such building
24 is owned by the individual and used by him as his prin-		shall be determined by treating all of such individ-
25 cipal residence (within the meaning of section 1034).	r.,	

1 - 11 - 11	uals as one taxpayer whose taxable year is such	
2	calendar year; and	
3	"(B) each of such individuals shall be allowed	
4	a credit under subsection (a) for the taxable year	
5	in which such calendar year ends (subject to the	٩,
6	limitation of subsection (b) (1)) in an amount	
7	which bears the same ratio to the amount deter-	4)
8	mined under subparagraph (A) as the amount paid	
9	by such individual during such calendar year for	
10	such expenditures bears to the aggregate of the	
11	amounts paid by all of such individuals during such	
12	calendar year for such expenditures.	
13	"(4) TENANT-STOCKHOLDER IN COOPERATIVE	
14 но	USING CORPORATION.—In the case of an individual	
15 wh	o holds stock as a tenant-stockholder (as defined in	
16 sect	tion 216) in a cooperative housing corporation (as	4
17 defi	ined in such section), such individual—	*
18	"(A) shall be treated as owning the dwelling	
19	unit which he is entitled to occupy as such stock-	
20	holder; and	
21	"(B) shall be treated as having paid his tenant-	
22	stockholder's proportionate share (as defined in sec-	
23	tion 216(b)(3)) of any qualified solar energy	
24	equipment expenditures paid by such corporation.	
25 " (d) REDUCTION OF BASIS.—The basis of any property	

1	shall not be increased by the amount of any qualified solar
2	energy equipment expenditures made with respect to such
3	property to the extent of the amount of any credit allowed
4	under this section with respect to such expenditures.
5	"(e) TERMINATION This section shall not apply to
6	any amount paid after December 31, 1980."
7	(b) TECHNICAL AND CONFORMING AMENDMENTS
8	(1) The table of sections for such subpart A is
9	amended by inserting before the item relating to sec-
10	tion 45 the following:
	"Sec. 44D. Residential solar energy equipment."
11	(2) Section 56(a) (2) (relating to imposition of
12	minimum tax) is amended by striking out "and" at the
13	end of clause (vii), by striking out "; and" at the end of
14	clause (viii) and inserting in lieu thereof ", and", and
15	by inserting after clause (viii) the following new clause:
16	"(ix) section 44D (relating to residential
17	solar energy equipment); and".
18	(3) Section 56(c) (1) (relating to tax carry-
19	overs) is amended by striking out "and" at the end of
20	subparagraph (C) (G), by striking out "exceed" at the
21	end of subparagraph (H) and inserting in lieu thereof
22	"and", and by inserting after subparagraph (H) the
23	following new subparagraph:

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1 "(I) section 44D (relating to residential solar		1 consisting of such amounts as may be appropriated or cred-
energy equipment), exceed".		2 ited to the Trust Fund as provided in this section.
3 (4) Subsection (a) of section 1016 (relating to		3 (b) TRANSFER TO TRUST FUND OF AMOUNTS EQUIV-
4 adjustments to basis) is amended by striking out the		4 ALENT TO CERTAIN TAXES
5 period at the end of paragraph (23) and inserting in	C.	5 (1) IN GENERAL.—There are hereby appropriated
6 lieu thereof a semicolon and by inserting after paragraph		6 to the Trust Fund amounts determined by the Secretary
7 (23) the following new paragraph:	•	• 7 of the Treasury (hereinafter in this title referred to as
8		8 the "Secretary") to be equivalent to the following
9 the case of property with respect to which a credit has		9 amounts received in the Treasury before October 1,
10 been allowed under section 44D."		10 1985:
11 (5) Section 6096 (b) (relating to designation of		11 (A) the amount of the taxes under-
12 income tax payment to Presidential Election Campaign		12 (i) section 4086 of the Internal Revenue
13 Fund) is amended by striking out "and 44C" and in-		13 Code of 1954 (relating to gasoline conserva-
14 serting in lieu thereof "44C, and 44D".		14 march Erds of tion tax), spectrum the second sec
15 (c) EFFECTIVE DATE.—The amendments made by this		15 (ii) section 4051 of such Code (relating
16 section shall apply to amounts paid after March 17, 1975,	t)	• 16 to special motor fuels conservation taxes),
17 in taxable years ending after such date.	ite	17 (iii) section 4064 of such Code (relating
18 TITLE IV—ENERGY CONSERVATION		18 to automobile fuel efficiency tax),
19 AND CONVERSION TRUST FUND		19 (iv) section 4991 of such Code (relating
20 SEC. 411. ESTABLISHMENT OF ENERGY CONSERVATION		20 to tax on certain business uses of petroleum and
21 AND CONVERSION TRUST FUND.		21 petroleum products), and
22 (a) CREATION OF TRUST FUND.—There is established	•]	22 (v) section 4226 (a) of such Code (relat-
23 in the Treasury of the United States a trust fund to be known	-	23 ing to floor stocks taxes),
24 as the "Energy Conservation and Conversion Trust Fund"		reduced by the amount of the credits allowable under
25 (hereinafter in this title referred to as the "Trust Fund"),		25 such Code which are properly chargeable against
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1	the amount of such taxes appropriated by this para-			1	September 30, 1984. Any amount which, but for this sub-
2	graph;			2	section, would be appropriated to the Trust Fund shall re-
3	(B) the duties under section 121 of this Act			3	main in the general fund of the Treasury.
4	(relating to rates of duty on oil); and			4	(d) Overall Limitation on Amount in the Trust
5	(C) to the extent provided by any law enacted	€.′	f	5	FUND
-6	after the date of the enactment of this Act, proceeds			6	(1) IN GENERALIf at any time during a fiscal
7	to the United States from oil and gas properties in	e)	f	7	year ending on or after before September 30, 1984, the
8	which the United States has an interest.			8	Secretary determines that the amount in the Trust Fund
9	(2) METHOD OF TRANSFER.—The amounts appro-			9	which is not obligated for expenditure exceeds \$10,000,-
10	priated by paragraph (1) shall be transferred at least			10	000,000, the Secretary shall transfer the amount of such
11	quarterly from the general fund of the Treasury to the			11	excess to the general fund of the Treasury.
12	Trust Fund on the basis of estimates made by the Sec-			12	(2) FISCAL YEAR 1985.—If at any time during the
13	retary of the amounts referred to in paragraph (1) re-			13	fiscal year ending on September 30, 1985, the Secretary
14	ceived in the Treasury. Proper adjustments shall be made			14	determines that the amount in the Trust Fund which
15	in the amounts subsequently transferred to the extent			15	is not obligated for expenditure exceeds \$5,000,000,000,
16	prior estimates were in excess of or less than the amounts	t)	ŧ	16	the Secretary shall transfer the amount of such excess
17	required to be transferred.	*		17	to the general fund of the Treasury.
18	(c) ANNUAL CEILING ON AMOUNTS WHICH MAY BE			18	(e) MANAGEMENT OF TRUST FUND
19	PLACED IN TRUST FUND.—The amount appropriated by			19	(1) REPORTIt shall be the duty of the Secre-
20	subsection (b) (1) for any fiscal year shall not exceed-			20	tary to hold the Trust Fund, and to report to the Con-
21	(1) in the case of any fiscal year ending on or			21	gress each year on the financial condition and the results
22	before September 30, 1983, \$5,000,000,000; and			22	of the operations of the Trust Fund during the preced-
23	(2) in the case of the fiscal year ending September			23	ing fiscal year and on its expected condition and opera-
24	30, 1984, \$2,500,000,000.			24	tions during the next 5 fiscal years. Such report shall be
25	No amount shall be appropriated to the Trust Fund after				

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1 printed as a House document of the session of the Con-	1 SEC. 412. EXPENDITURES FROM TRUST FUNDS FOR
2 gress to which the report is made.	2 ENERGY PROJECTS AND PROGRAMS.
3 (2) INVESTMENT.—	3 (a) IN GENERAL.—Amounts in the Trust Fund shall
4 (A) IN GENERAL.—It shall be the duty of the	4 be available, as provided by appropriation Acts, for making
5 Secretary to invest such portion of the Trust Fund	5 expenditures before October 1, 1985, for purposes of con-
6 as is not, in his judgment, required to meet current	6 serving energy resources and expanding energy supplies
7 withdrawals. Such investments may be made only in	' through-
8 interest-bearing obligations of the United States or	8 (1) basic and applied research programs related
9 in obligations guaranteed as to both principal and	9 to new energy technologies, including (but not limited
10 interest by the United States. For such purpose, such	10^{10} at to) — we show that the state of the state
11 obligations may be acquired (i) on original issue at	11 (A) solar energy,
12 the issue price, or (ii) by purchase of outstanding	12 (B) geothermal energy,
13 obligations at the market price.	13 (C) advanced transportation power systems,
14 (B) SALE OF OBLIGATIONS.—Any obligation	14 (D) environmental impact (and human
15 acquired by the Trust Fund may be sold by the	15 safety), for a straight str
16 Secretary at the market price.	* 16 (E) energy conversion,
17 (C) INTEREST ON CERTAIN PROCEEDS.—The	17 (F) energy transmission,
18 interest on, and the proceeds from the sale or re-	18 (G) energy conservation,
19 demption of, any obligations held in the Trust Fund	19 (H) synthetic fuels from fossil sources,
20 shall be credited to and form a part of the Trust	20 (I) utilization of solid waste, and and and
21 Fund.	21 (J) fusion, and
22 (f) TERMINATION.—The Secretary shall transfer from	22 (K) an engine for an efficient pollution-free
23 the Trust Fund into the general fund of the Treasury any	23 automobile;
24 amount in the Trust Fund on October 1, 1985, which is not	24 (2) development and demonstration of new energy
25 obligated for expenditure.	25 technologies, including (but not limited to) —

1 (A) coal liquefaction and gasification demon-
2 stration projects,
3 (B) aid for powerplant conversions to coal,
4 (C) loans or subsidies for solid waste energy
5 conversion plants (including production of methane
6 gas from organic wastes),
7 (D) loans or subsidies for shale oil production,
8 (E) price guarantees on long-term purchase
9 contracts for other new energy sources,
10 (F) strip mining reclamation and mine safety
11 programs,
12 (G) engines for efficient pollution-free auto-
13 mobiles,
14 (H) loans and subsidies relating to solar energy
15 systems, and
16 (I) demonstration and development of hot wa-
17 ter heating systems, or space heating and cooling
18 systems, for home use;
19 (3) programs relating to the development of energy
20 resources from properties (including offshore properties)
21 in which the United States has an interest, including
22 (but not limited to) —
23 (A) geothermal energy development, and
24 (B) energy related environmental protection
25 programs and research; and

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1 (4) research projects, or capital expenditures for 2 demonstration projects, relating to local and regional 3 transportation systems, including (but not limited to) -8 4) emiliang to (A) mass transit by bus, dy bun I ten I 5 minimum (B) fixed guideway mass transit, 1 does d (C) commuter rail transportation, moler a 7012334400 (D) intercity rail passenger service, at 032 T (E) mass transit terminal facilities, 8 9 (erol 2) mass transit operational facilities, and 10 (G) exclusive or preferential bus lanes. 11 Nothing in this subsection shall be deemed to authorize any program, project, or other activity not otherwise authors 12 ized by law. Amounts required for purposes of this subsection 13 shall be included in the appropriation requests of those Fed-14 eral agencies authorized to carry out the program, project, or 15 16 d activity. Tool of being appointed by the P. Store 16 (b) PROGRAM EVALUATION CRITERIA, PRO.-Not later 17 than 270 days after the date of the enactment of this Act, 18 the Energy Conservation and Conversion Trust Fund Revi 19 20 view Board shall-21 develop criteria for evaluating the programs, 22 projects, and activities referred to in paragraphs (1) 23 (2), (3), and (4) of subsection (a), (2) evaluate potential programs, projects, and 24 activities on the basis of such criteria, and 25 H.R. 6860-7

1 and (3) submit to the Congress a report containing the 2 conservation developed under paragraph (1) together with 3 (o) the Board's recommendations for the proportion of the Trust Fund which should be available for expenditure for 4 each fiscal year for programs, projects, and activities 5 referred to in each paragraph of subsection (a). 6 SEC. 413. ENERGY CONSERVATION AND CONVERSION 7 TRUST FUND REVIEW BOARD. 8 bala) ESTABLISHMENT OF BOARD. There is hereby 9 established a review board to be known as the "Energy 10 11 Conservation and Conversion Trust Fund Review Board" 12 (hereinafter in this section referred to as the "Board").org 21 13 ized by law. Amounts required for HIHERSHIM is (d) bsection 81 14 shall be includent frame or a same of the state Federal (12) those Federal 150 toport marg(A) IN GENERAL .- The Board shall be com-16 posed of 5 members appointed by the President by 17 stal to /- and with the advice and consent of the Senate. 18 1 A sidt lo 109 (B) LIMITATIONS .- An individual may not 1998 buil be appointed as a member of the Board if and en 20 (i) at any time during the 5-year period 21 angoing out ending on the date of his nomination such in-22(1) adquargeredividual held interests in one or more energy related industries and the aggregate fair market 23 24 value of such interests exceeded \$2,500; or

activities on the basis of such criteria

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(ii) for any taxable year beginning or ending during such 5-year period such individual received or accrued gross income in excess of 3 \$10,000 from one or more energy related industries. 5 Any individual who after appointment as a member 6 acquires any interest in, or receives or accrues any 7 income from, an energy related industry may not 8 thereafter hold such position. For purposes of this 90 paragraph, an individual shall be deemed to hold 10 any interest held by such individual's spouse or by 1110 any child of the individual who has not attained 18 12 years of age. I linda and (vi) 13 (C) ENERGY RELATED INDUSTRY .- For pur-14 poses of this paragraph, the term "energy related 15 industry" means an industry engaged in the trade 16 or business of _____ de bolongisch en _____ 17 (i) the generation, transmission, distribu-18 tion, or sale of electrical or other energy, 19 20 (ii) the production, transmission, distribution, or sale of oil or gas, or primary products 21 of oil and gas, 22 (iii) production, importation, distribution, 23 or sale of motor vehicles, or 24

-Ans to minimized the (iv) the furnishing or sale of transportation. 12 bivibai del(2) TEBMS. To doue guinh gui 13 seesa ni enos(A) Except as provided in subparagraphs (B) 54 alor you and (C), members shall be appointed for terms of 5 years. 5 16 members first appointed-Vie appointed for a term of 1 income from, an energy relactation may 18t 91 to second to I (ii) one shall be appointed for a term of 2 10 paragraph, an individual sh, stary deemed to hold 11 to server a leading (iii) one shall be appointed for a term of 3 12 benistis ton years, lanbiving of to blid yas (iv) one shall be appointed for a term of 4 13 14 g to I _____ years, and the part (0) 15 televine (v) one shall be appointed for a term of 5 16 and industry" means an industry, 24,999 ged in the tradit as designated by the President at the time of 17 18 dirtzib moiappointment. interest of (i) (C) Any member appointed to fill a vacancy 19 20 occurring before the expiration of the term for which 21 his predecessor was appointed shall be appointed only for the remainder of such term. A member 22 23 may serve after the expiration of his term until his successor has taken office. 24 (3) PAY AND TRAVEL EXPENSES.-25

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(A) Except as provided in subparagraphi (B), 2 members of the Board shall each be entitled to receive \$100 for each day (including traveltime) dur-3 4 ing which they are engaged in the actual perform-5 ance of duties vested in the Board. amob i as 3 6 (B) Members of the Board who are full-time 7 officers or employees of the United States or Members of Congress shall receive no additional pay on 9 account of their service on the Board. to 10 III e (C) While away from their homes or regular 10 places of business in the performance of services for THE 12 the Board, members of the Board shall be allowed 13 travel expenses, including per diem in lieu of sub-14 sistence, in the same manner as persons employed 15 intermittently in the Government service are allowed expenses under section 5703 (b) of title 5 of the 16 17 United States Code. U 2221/12UI-I THAT TI (4) CHAIRMAN.-The Chairman of the Board shall 18 be elected by the members of the Board. 19 (c) DUTIES .- The Board shall review the expenditures 20 made from the Trust Fund under section 412 and report to 210 the Congress each year regarding expenditures southade 22 during the preceding fiscal year. Such report shall contain-23 evaluations of the programs and projects for which such 24 expenditures were made, and such recommendations for such 25

changes as the Board considers necessary to ensure that
 future expenditures made from the Trust Fund best carry out
 the purposes of this title.

4 (d) STAFF.—The Board shall appoint such employees 5 as it deems necessary. Such employees shall be appointed 6 subject to the provisions of title 5, United States Code, gov-7 erning appointments in the civil service, and shall be paid in 8 accordance with the provisions of chapter 51 and subchapter 9 III of chapter 53 of such title, relating to classification and 10 General Schedule pay rates.

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11 (e) APPROPRIATION AUTHORIZATION.—There are
12 authorized to be appropriated from time to time such sums
13 as may be necessary to carry out the purposes of this section.

14 TITLE V—ENCOURAGING BUSINESS 15 CONVERSION FOR GREATER 16 ENERGY SAVING

17 PART I—BUSINESS USE OF PETROLEUM AND 18 PETROLEUM PRODUCTS

19SEC. 511. EXCISE TAX ON BUSINESS USE OF PETROLEUM20AND PETROLEUM PRODUCTS.

(a) IN GENERAL.—Subtitle D (relating to miscellaneous excise taxes) is amended by adding at the end
thereof the following new chapter:

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1	"CHAPTER 45-TAX ON BUSINESS U	SE OF
2	PETROLEUM AND PETROLEUM PROD	UCTS
	"Sec. 4991. Imposition of tax. "Sec. 4992. Definitions and special rules.	
3	"SEC. 4991. IMPOSITION OF TAX.	1 1 1 1 1 1
4	"(a) IN GENERAL.—There is hereby imposed	a tax on
5	each taxable use of a taxable petroleum or petroleum	
6	"(b) AMOUNT OF TAX.—The amount of the	tax im-
7	posed by subsection (a) shall be-	
8	"(1) FOR NATURAL GAS.—In the case o	f natural
9		
	1977 <u>IN INCONTRA DA LA DA</u>	4 cents. 8 cents.
<i>i</i> .	1978 1979 1980 or thereafter	12 cents. 18 cents.
10	"(2) FOR CRUDE OIL AND OTHER PEI	
11	PRODUCTSIn the case of crude oil and other p	etroleum
12	products—	201 1944 - 1947
	during calendar year 1977	'he tax per barrel is: 17 cents.
ų.	1978 1979 (and the protocol of the second se	
	1980 1981	83 cents. \$1.
13	的"这个"的"这个",这些"我们也能是我们是得到的。你们们"的	d by this
14 (13)	section shall be paid by the user.	
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	्र रहिए हे भरतरही अवीको हालूको ने अपन	Č.

"SEC. 4992 DEFINITIONS AND SPECIAL BULES. (a) TAXABLE USE. 2 "(1) IN GENERAL.—For purposes of this chapter, 3 the term 'taxable use' means any use as a fuel in a trade 4 or business other than a use described in paragraph (2). "(2) CERTAIN USES EXCEPTED.—For purposes of .**6** · this chapter, the term 'taxable use' does not include any 7. 8 use as a fuel-"(A) in a vehicle, vessel, or aircraft, egene fage and "(B) in an apartment, hotel, motel, or other 10 11 residential facility, 12 "(C) for the extraction of a mineral to the 13 extent such extraction constitutes mining within the meaning of section 613 (c), 14 花園をおてき 15 "(D) on a farm for farming purposes (determined in a manner similar to that provided by sec-16 17 : tion 6420(c)),18 "(E) in a facility (used in a trade or business . 1000 00 **19**00 00 described in section 46(c) (3) (B) (i)) for the 20 generation of electrical power if— "(i) such facility is acquired by the user 21 "(c) IV ten in The All of the tax impoled by 81 श्रीती. before January 1, 1976, 22a al y lan a floreadt a H "(ii) the physical construction, recon-23struction, or erection of such facility by the 24 user is begun before January 1, 1976, or 25

"(iii) such facility is constructed, recon-9 structed, or erected for the user, or acquired 3 by the user, pursuant to a contract which is on 4 December 31, 1975, and at all times thereafter, binding on the user, and 5 "(F) by an organization described in section 6 501 (c) (3) which is exempt from tax under section 7 501 (a) other than in an unrelated trade or business 8 9 (as defined in section 513). Subparagraph (E) shall not apply to any use after 10 December 31, 1981. 11 11 "(b) TAXABLE PETROLEUM OR PETROLEUM PROD-12 UCT.--For purposes of this chapter, the term 'taxable petro-13 leum or petroleum product' means any petroleum or petro-14 leum product other than gasoline (as defined in section 154082 (b)). 16 "(c) PETROLEUM AND PETROLEUM PRODUCTS.-For 17 purposes of this chapter, the term 'petroleum or petroleum 18 19 product' includes natural gas." (b) CLERICAL AMENDMENT.—The table of chapters for 2021 subtitle D is amended by adding at the end thereof the 22 following: method in a first (1) into (a) subject fir "Chapter 45. Tax on business use of petroleum and petro-leum products." (c) REPORT BY THE ADMINISTRATOR OF THE FEDERAL 24 ENERGY ADMINISTRATION.-

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1 (1) IN GENERAL.—The Administrator of the Fed-		1 PART II—AMORTIZATION FOR CERTAIN ENERGY-
2 eral Energy Administration (hereinafter in this subsec-		2 RELATED PROPERTY
3 interview of the state and the "Administrator") shall conduct a		3 SEC. 521. AMORTIZATION OF QUALIFIED ENERGY USE
4 study of the uses of petroleum or petroleum products (in-		4 PROPERTY.
5 cluding natural gas) to identify—	¢	5 Part VI of subchapter B of chapter 1 (relating to
6 (A) the industries or industrial processes where		6 itemized deductions for individuals and corporations) is
7 there is no economically feasible alternative to the	¢	7 amended by adding at the end thereof the following new
8 Juse of petroleum or petroleum products,		8 section: and the sector of t
9: (B) the areas of the country where conversion		9 "SEC. 189. AMORTIZATION OF QUALIFIED ENERGY USE
10 to the use of fuels other than petroleum or petroleum		10 PROPERTY.
11 products is not feasible because of Federal, State, or		"(a) ALLOWANCE OF DEDUCTION.—Every person, at
12 local laws relating to pollution, and	3	12 his election, shall be entitled to a deduction with respect to
13 (C) all other factors bearing on uses which	3	3 the amortization of any qualified energy use property (as
14 should be exempted from the application of section]	4 defined in subsection (b)), based on a period of 60 months.
15 description of the Internal Revenue Code of 1954.	3	5 "(b) QUALIFIED ENERGY USE PROPERTYFor pur-
16 (2) REPORT.—Not later than June 1, 1976, the	0	6 poses of this section -
17 Administrator shall submit to Congress a report of his	۲ م ۱	7 "(1) QUALIFIED ENERGY USE PROPERTY.—The
18 findings under the study conducted under paragraph (1),	1	8 term 'qualified energy use property' means-
19 together with such recommendations as he may deem	1	9 "(A) qualified waste equipment
20. and advisable. In the second and the training the second se	2	0 "(B) qualified shale oil conversion equipment,
21 (d) EFFECTIVE DATE.—The amendments made by sub-	2	1 and a manufaction (C) qualified coal processing equipment, or
22 sections (a) and (b) shall apply to petroleum and petroleum	2	2 described that "(D) a qualified coal pipeline. A subscript of
23 products (as defined in section 4992 (c) of the Internal	2	3 "(2) QUALIFIED WASTE EQUIPMENT.—The term
24 Revenue Code of 1954) used after December 31, 1976.	2	4 'qualified waste equipment' means any machinery or
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-1 equipment (of a character subject to the allowance for depreciation) - 011 GATAJAS 2 TORIAL * (A) necessary to permit the use of waste as a 23.0 fuel in a facility burning a combination of waste and 4 of guideland oil as its principal fuel (including unloading equipai6 (another ment, feeding systems; and refuse firing ports for 7 amended by adding at the end ((slauf task willowing up "(B) used to process waste into a fuel, or 8 8 YORAMA ((C) used to sort and prepare solid waste 9 for recycling or used for recycling solid waste. Of 10 12 MENT.-The term 'qualified shale oil conversion equipe ment' means any machinery or equipment (of a chart 13 14 acter subject to the allowance for depreciation) nec-15 g to Tessary-tout and routed dautitayo (d) 16 poses of this se, shale, a side of the second of the se 16 "(C) to convert the oil shale into oil or gas. 18 "(4) QUALIFIED COAL PROCESSING EQUIPMENT. 19 20 The term 'qualified coal processive equipment' means 21 any machinery or equipment (of a character subject to the allowance for depreciation) for processing coal into 22 23 ret a liquid br gaseous state: GHITLIAUD (2) "the Internet 24 (5) QUALIFIED COAL PEPEIDNE SThe terks 'qualified coal pipeline' means a coal slurry pipeline or 25

1) notany other pipeline (of a character subject to the allow-2 ance for depreciation) for the transportation of coal from 3 tons the mine or other gathering point. "(6) COAL INCLUDES LIGNITE. The term 'coal' 5 see vi includes lignite bab moinibargab affre (2) the first new 3 6 of "(c) AMOUNT OF DEDUCTION .- The amortization 7 deduction for any qualified energy use property shall be an 8 amount, with respect to each month of the 60-month period within the taxable year, equal to the adjusted basis of the 10 qualified energy use property at the end of such month 11, divided by the number of months (including the month for which the deduction is computed) remaining in the 12 period. Such adjusted basis at the end of the month shall 13 14 be computed without regard to the amortization deduction 15 for such month. The amortization deduction provided by this 16 section with respect to any qualified energy use property for 17 any month shall be in lieu of the depreciation deduction with respect to such property for such month provided by see-18 tion 167. The 60-month period shall begin, as to any quali-19 20 fied energy use property, at the election of the taxpayer, 21 with the month following the month in which such property 22 was placed in service or with the succeeding taxable year. 23 ((d) SPECIAL RULES FOR ADJUSTED BASIS. 24 general divi'(1) For purposes of this section, the adjusted basis 25 ghrank qualified energy use property with respect to

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which an election has been made under subsection (e)
shall not be increased for amounts chargeable to capital
account for additions or improvements after the amortization period has begun.

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"(2) The depreciation deduction provided by sec-5 tion 167 shall, notwithstanding subsection (c), be al-6 lowed with respect to the portion of the adjusted basis 7 which is not taken into account in applying this section. 8 "(e) ELECTION OF AMORTIZATION.-The election of 9 the taxpayer to take the amortization deduction, and the 10 election to begin the 60-month period with the month follow-11 ing the month in which the qualified energy use property is 12placed in service or with the taxable year succeeding the tax-13 able year in which such property is placed in service, shall be 14 made by filing with the Secretary or his delegate, in such 15 manner, in such form, and within such time as the Secretary 16 17 or his delegate may by regulations prescribe, a statement of such election. 18

19 "(f) TERMINATION OF ELECTION.-

"(1) BY THE TAXPAYER.—A taxpayer which has
elected under subsection (e) to take the amortization
deduction with respect to any qualified energy use
property may, at any time after making such election, discontinue the amortization deduction with respect
to the remainder of the amortization period, such discon-

tinuance to begin as of the beginning of any month spe-1 cified by the taxpayer in a notice in writing filed with the 2 Secretary or his delegate before the beginning of such 3 month. The depreciation deduction provided under sec-4 tion 167 shall be allowed, beginning with the first month 5 as to which the amortization deduction does not apply, 6 and the taxpayer shall not be entitled to any further 7. amortization deduction under this section with respect 8 9 is said to such property. Is not as a line operation of the distant operation "(2) CONSTRUCTIVE TERMINATION.-If at any 10 time during the amortization period any qualified en-11 ergy use property ceases to meet the requirements 12 of subsection (b) or becomes property with respect to 13 which an amortization deduction under this section is 14: not allowable by reason of subsection (g), the taxpayer 15 shall be deemed to have terminated under paragraph (1) 16 his election under this section. Such termination shall 17 be effective beginning with the month in which such 18 cessation occurs or in which a lease exists which causes 19 disallowance under subsection (g). 2021 "(g) NONCORPORATE LESSORS .- No amortization deduction shall be allowed under this section with respect to 22any property of which a person which is not a corporation is 23the lessor. In the case of property of which a partnership is $\mathbf{24}$ the lessor, the amortization deduction otherwise allowable 25

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-1 under this section with respect to such property to any part-	1 January 1, 1981, the amortization deduction provided
2 ner which is a corporation shall be allowed notwithstanding	2 by this section shall apply to that portion of the basis
3. the preceding sentence and subsection (f) (2). For purposes	3 which is attributable to construction, reconstruction, or
4 of this subsection, an electing small business corporation (as	4 erection before January 1, 1981.
5 defined in section 1371) shall be treated as a person which	5 "(j) CROSS REFERENCE.
6 gis not a corporation. A contract of the second states of the second s	"For treatment of certain gain derived from the dispo- sition of property the adjusted basis of which is deter-
7	
Socase of any qualified energy use property held by one per-	6 SEC. 522. AMORTIZATION OF QUALIFIED RAILROAD EQUIP-
9 son for life with remainder to another person, the deduction	7 MENT. De fait fait d'était de la company de la compa
10 under this section shall be computed as if the life tenant	8 Part VI of subchapter B of chapter 1 (relating to item-
14. were the absolute owner of the property and shall be allow-	9 ized deductions of individuals and corporations) is amended
12 mable to the life tenant. A second of a second s	10 by adding at the end thereof the following new section:
13 Broge St(i) APPLICATION OF SECTION - Constitution SE	11 "SEC. 190. AMORTIZATION OF QUALIFIED RAILROAD
14 minute (1) In GENERAL Except as provided in para-	12 EQUIPMENT.
15 graph (2), the amortization deduction provided by this	13 "(a) ALLOWANCE OF DEDUCTION.—Every person, at
16) agreetion shall apply to that portion of the basis which is	• 14 his election, shall be entitled to a deduction with respect to
17 de attributable to construction, reconstruction, or erection	15 the amortization of any qualified railroad equipment (as
18 distant after March 17, 1975, with respect to property which is	¹⁶ defined in subsection (b)), based on a period of 60 months.
19 placed in service after such date and before January 1,	17 "(b) QUALIFIED RAILROAD EQUIPMENT DEFINED.
20 1981. (a) a diversion from the state of the state	18 "(1) IN GENERAL.—For purposes of this section,
21 in the case of property	19 the term 'qualified railroad equipment' means equipment
22 constructed, reconstructed, or erected by the taxpayer,	20 described in paragraph (2) of this subsection used by a
23: second for the taxpayer pursuant to a contract which is bind-	21 common carrier engaged in the furnishing or sale of
24 ing on the taxpayer on January 1, 1981, and at all	22 transportation by railroad and subject to the jurisdic-
25 times thereafter, which is placed in service on or after:	23 tion of the Interstate Commerce Commission if-
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-1 under this section with respect to such property to any part-2 ner which is a corporation shall be allowed notwithstanding 3 the preceding sentence and subsection (f) (2). For purposes 4 of this subsection, an electing small business corporation (as 5 defined in section 1371) shall be treated as a person which 6 gis not a corporation. In moit a site of the doid whether a 7 (h) LIFE TENANT AND REMAINDERMAN -In the 8 case of any qualified energy use property held by one per-9 son for life with remainder to another person, the deduction 10 under this section shall be computed as if the life tenant 14 were the absolute owner of the property and shall be allow-12 able to the life tenant. 13 toog "(i) APPLICATION OF SECTION - CONSIDER OF SECTION 14 not see all (1) IN OBNERAL .-- Except as provided in para-15 graph (2), the amortization deduction provided by this 161) if section shall apply to that portion of the basis which is 17 attributable to construction, reconstruction, or erection 18 after March 17, 1975, with respect to property which is 19 placed in service after such date and before January 1, 20. disallowance under subsection (g). E (1881. 20 21 "(2) PRE-1981 PORTION.-In the case of property 22 constructed, reconstructed, or erected by the taxpayer, 23 or for the taxpayer pursuant to a contract which is bind-24 ing on the taxpayer on January 1, 1981, and at all 25 times thereafter, which is placed in service on or after

January 1, 1981, the amortization deduction provided 1 by this section shall apply to that portion of the basis 2 which is attributable to construction, reconstruction, or 3 4 erection before January 1, 1981. 5 "(j) CROSS REFERENCE. "For treatment of certain gain derived from the disposition of property the adjusted basis of which is determined with regard to this section, see section 1245." SEC. 522. AMORTIZATION OF QUALIFIED RAILROAD EQUIP-6 MENT. as a loginito add (E) the former of C 7 Part VI of subchapter B of chapter 1 (relating to item-8 ized deductions of individuals and corporations) is amended 9 by adding at the end thereof the following new section: 10 "SEC. 190. AMORTIZATION OF QUALIFIED RAILROAD 11 EQUIPMENT. ni fobirorg noitaiserquie fi 12 "(a) ALLOWANCE OF DEDUCTION .- Every person, at 13 his election, shall be entitled to a deduction with respect to 14 the amortization of any qualified railroad equipment (as 15 defined in subsection (b)), based on a period of 60 months. 16 17 "(b) QUALIFIED RAILBOAD EQUIPMENT DEFINED. 18 "(1) IN GENERAL.-For purposes of this sections 19 the term 'qualified railroad equipment' means equipment 20 described in paragraph (2) of this subsection used by a 21 common carrier engaged in the furnishing or sale of. 22 transportation by railroad and subject to the jurisdic-23 tion of the Interstate Commerce Commission if-H.R. 6860-8

"(A) such equipment is---1 "(i) used by a domestic common carrier 2 by railroad, or 3 "(ii) owned and used by a car line com-4 pany or a switching or terminal company at $\mathbf{5}$ least 95 percent of whose stock is owned 6 by one or more domestic common carriers by 7 railroad, and 8 "(B) the original use of such equipment com-9 mences with the taxpayer after December 31, 1974. 10 "(2) EQUIPMENT.—The equipment referred to in 11 paragraph (1) of this subsection is tangible property 12which is of a character subject to the allowance for 19 depreciation provided in section 167 (not including a 14 building or its structural components) if such property-15 16 "(A) is used as an integral part of-"(i) a communications, signal, or traffic 17 18 control system; "(ii) a rolling stock classification yard; 19 or 20 "(iii) a facility for loading and unload-21 ing trailers and containers on and from railroad 22 flatcars; or 23 "(B) is an improvement or betterment in track 24 25account.

"(c) AMOUNT OF DEDUCTION.-The amortization 1 deduction for any qualified railroad equipment shall be an 2 amount, with respect to each month of the 60-month period 3 within the taxable year, equal to the adjusted basis of the 4 qualified railroad equipment at the end of such month divided 5 by the number of months (including the month for which the deduction is computed) remaining in the period. Such 7 adjusted basis at the end of the month shall be computed 8 without regard to the amortization deduction for such month. 9 The amortization deduction provided by this section with re-10 spect to any qualified railroad equipment for any month shall 11 be in lieu of the depreciation deduction with respect to such 12 equipment for such month provided by section 167. The 60-13 month period shall begin, as to any qualified railroad equip-14 ment, at the election of the taxpayer, with the month 15following the month in which such equipment was placed in 16 service or with the succeeding taxable year. 17"(d) SPECIAL RULES.-18 "(1) ADJUSTED BASIS.---19 "(A) For purposes of this section, the adjusted 20 basis of any qualified railroad equipment with 21 respect to which an election has been made under 22subsection (e) shall not be increased for amounts 23chargeable to capital account for additions or 24

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1 in provements after the amortization period has 2 begun. 3 has all and "(B) Costs incurred in connection with a used 4 unit of railroad equipment which are properly 5 chargeable to a capital account shall be treated as a 6 separate unit of railroad equipment for purposes of it this section. :1 t) 18 descention deduction provided by 19 mean above section 167 shall, notwithstanding subsection (c). 10: detrived be allowed with respect to the portion of the ad-11 and other justed basis which is not taken into account in apply-12 and the ging this section. I have a share principle of the section of the sect 14 IN SERVICE.—For purposes of subsections (a) and (e) 15 in the case of qualified railroad equipment placed in servv z_{1} ice after December 31, 1974, and before January 1, 16 1980, the taxpayer may elect to begin the 60-month 17 11 18 period with the date when such equipment is treated as having been placed in service under a method of 19 accounting for acquisitions and retirements of property 20which 2122 and alter the field of the property is placed in service, and 23(B) is consistently followed by the taxpayer. $\mathbf{24}$ "(e) ELECTION OF AMORTIZATION.—The election of 25

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1 the taxpayer to take the amortization deduction, and the elec-2 tion to begin the 60-month period with the month following the month in which the qualified railroad equipment is placed 3 4 in service or with the taxable year succeeding the taxable 5 year in which such equipment is placed in service, shall be 6 made by filing with the Secretary or his delegate, in such 7 manner, in such form, and within such time as the Secretary or his delegate may by regulations prescribe, a statement of 8 9 such election. "(f) TERMINATION OF ELECTION.-10 "(1) BY THE TAXPAYER.—A taxpayer which has 11 12 elected under subsection (e) to take the amortization deduction with respect to any qualified railroad equip-13 14 ment may, at any time after making such election, 15discontinue the amortization deduction with respect to 16 the remainder of the amortization period, such discontinuance to begin as of the beginning of any month 17 18 specified by the taxpayer in a notice in writing filed 19 with the Secretary or his delegate before the beginning 20of such month. The depreciation deduction provided under section 167 shall be allowed, beginning with the 21 first month as to which the amortization deduction does 2223not apply, and the taxpayer shall not be entitled to any further amortization deduction under this section with $\mathbf{24}$ 25respect to such equipment.

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1 "(2) CONSTRUCTIVE TERMINATIONIf at any			1 der this section shall be computed as if the life tenant were
2 time during the amortization period any qualified rail-			2 the absolute owner of the equipment and shall be allowable
3 road equipment ceases to meet the requirements of			3 to the life tenant.
4 subsection (d) (1) or becomes property with respect		4	"(i) APPLICATION OF SECTIONThis section shall
5 to which an amortization deduction under this section			5 apply to qualified railroad equipment placed in service after
6 is not allowable by reason of subsection (g), the tax-		(December 31, 1974, and before January 1, 1980.
7 payer shall be deemed to have terminated under para-	9	1.	"(j) CROSS REFERENCE.—
8 graph (1) his election under this section. Such			"For treatment of certain gain derived from the dispo- sition of property the adjusted basis of which is deter-
9 termination shall be effective beginning with the month		· ·	mined with regard to this section, see section 1245."
10 in which such cessation occurs or in which the lease exists		8	SEC. 523. AMENDMENTS RELATING TO AMORTIZATION OF
11 which causes disallowance.) CERTAIN RAILROAD ROLLING STOCK.
12 "(g) NONCORPORATE LESSORSNo amortization de-		10	(a) EXTENSION OF PERIOD DURING WHICH RAIL-
13 duction shall be allowed under this section with respect to		1	ROAD ROLLING STOCK MAY QUALIFY FOR 5-YEAR
14 any property of which a person which is not a corporation		12	2 AMORTIZATION.—Section 184 (e) (relating to amortization
15 is the lessor. In the case of property of which a partnership		15	of railroad rolling stock) is amended
16 is the lessor, the amortization deduction otherwise allowable	ŝ	1 14	(1) by striking out "1976" in paragraph (1) and
17 under this section with respect to such property to any),	15	inserting in lieu thereof "1980", and
18 partner which is a corporation shall be allowed notwithstand-		10	(2) by striking out "January 1, 1976" in paragraph
19 ing the preceding sentence and subsection (f) (2). For pur-		17	(7) and inserting in lieu thereof "January 1, 1980".
20 poses of this subsection, an electing small business corporation		18	(b) CERTAIN COAL CARS AND RAILROAD FERRY VES-
21 (as defined in section 1371) shall be treated as a person		19	SELS.—Subsection (d) of section 184 (defining qualified
22 which is not a corporation.		20	railroad rolling stock) is amended to read as follows:
23 "(h) LIFE TENANT AND REMAINDERMAN.—In the		21	"(d) QUALIFIED RAILROAD ROLLING STOCK.—Except
24 case of any qualified railroad equipment held by one person		22	as provided in subsection (e) (4), the term 'qualified rail-
25 for life with remainder to another person, the deduction un-		23	road rolling stock' means, for purposes of this section-

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"(1) rolling stock of the type used by a common carrier engaged in the furnishing or sale of transporta-2 tion by railroad and subject to the jurisdiction of the 3 Interstate Commerce Commission if-4 "(A) such rolling stock is— "(i) used by a domestic common carrier by 6 railroad on a full-time basis, or on a part-time basis if its only additional use is an incidental use by a Canadian or Mexican common carrier 9 by railroad on a per diem basis, or 10 "(ii) owned and used by a switching or 11 terminal company all of whose stock is owned 12 by one or more domestic common carriers by 13 railroad, and 14 "(B) the original use of such rolling stock com-15 mences with the taxpayer after December 31, 1968; 16 "(2) any railroad rolling stock not described in 17 paragraph (1)-18 "(A) which is a car used by the taxpayer pre-19 dominantly in the hauling within the United States 20 of coal which is used (other than for resale) by the 21 taxpayer in his trade or business, and 22 "(B) the original use of which commences with 23 the taxpayer after May 7, 1975; and 24 "(3) any vessel— 25

I doing of 100 " (A) which is used prodominantly by the taxt-2" olle ton payer in hanling railroad rolling stock between ter minals located within the United States; and 3 3 4 been strong (B) the original use of which commences with 5 the taxpayer after May 7, 1975. Hals not set int a (c) DENIAL OF AMORTIZATION TO NONCORPORATE 7 SEC. 524 TECHNICAL AND CONFORMING AMEROZEMITY - TIGE (1) IN GENERAL Section 184 is amended by redesignating subsection (g) as subsection (h) and by in-9 be serting after subsection (f) the following new subsect 10 11 striking out "184.". 11 (g) NONCORPORATE LESSONS. -No amortization del 12 duction shall be ablowed under this section with respect to 13 any property of which a person which is not a corporation is 14 the lessor. In the case of property of which a partnership is 15 the lessor, the amortization deduction otherwise allowable 16 under this section with respect to such property to any part-1 17 ner which is a corporation shall (be allowed motwithstanding 18 the preceding sentence and subsection (e) (6). For pur-19 poses of this subsection, an electing small business corporation 20 tion (as defined in section 1371) shall be treated as a person? 21 which is not a corporation A DEMEGRACO (d) 22 22 noitesit (2). CONSTRUCTIVE TERMINATION .- Paragraph 23 (6) of section 184 (e) is amended by striking out "sub-24 section (d) (1)" and inserting in lieu thereof "subsec-25 H.R. 6860-9

tion (d) or becomes property with respect to which an
amortization deduction under this section is not allowable by reason of subsection (g)".

4 (d) EFFECTIVE DATE.—The amendments made by
5 this section shall apply to property placed in service by the
6 taxpayer after May 7, 1975.
7 SEC. 524. TECHNICAL AND CONFORMING AMENDMENTS.

8 (a) COORDINATION WITH INVESTMENT CREDIT.— 9 (1) IN GENERAL.—Paragraph (3) of section 48 19 (a) (defining section 38 property) is amended by 11 striking out "184,".

12 (2) USEFUL LIFE.—The second sentence of section

13 46 (c) (2) (defining applicable percentage for purposes
14 of determining qualified investment) is amended by
15 striking out the period at the end thereof and inserting
16 in lieu thereof " (or, if the taxpayer has elected an amor17 tization deduction with respect to the property, the
18 amortization period)."

19 (3) EFFECTIVE DATE.—The amendments made by
20 this subsection shall apply to property placed in service
21 after March 17, 1975.

(b) CONFORMING AMENDMENTS.—
(1) Section 642 (f) (relating to amortization deduction for estates and trusts) is amended by striking

1 out "and 188" and inserting in lieu thereof "188, 189. 2 and 190"..... is is the contract router Train (Train) 3 (2) Section 1082 (a) (2) (B) (relating to basis in 4 certain exchanges) is amended by striking out "or 188" 5 and inserting in lieu thereof "188, 189, or 190". 6 (3) Section 1245 (a) (relating to gain from dis-7 positions of certain depreciable property) is amended by 8 striking out "or 188" each place it appears in paragraph 9 (2) and inserting in lieu thereof "188, or 189". 10 (c) CLERICAL AMENDMENTS.—The table of sections 11 for part VI of subchapter B of chapter 1 is amended by 12 adding at the end thereof the following: "Sec. 189. Amortization of qualified energy use property. "Sec. 190. Amortization of qualified railroad equipment." PART III-TAX CREDIT CHANGES RELATING 13 14 TO ENERGY CONSERVATION 15 SEC. 531. CHANGES IN INVESTMENT CREDIT RELATING TO INSULATION, SOLAR ENERGY, AND AIR 16 17 CONDITIONING. (a) INSULATION AND SOLAR ENERGY. Section 48 18 (relating to definitions and special rules for purposes of the 19 investment credit) is amended by redesignating subsection 20 (k) as subsection (l) and by adding after subsection (i) 21 the following new subsection: 22

(a) (a) (Ta) a Densel and from

at this with the second station of the state of the second state of the

181 884 (k) TEMPORARY RULES FOR INSULATION AND "(4) TERMINATION, - This subsection shall not 2 SOLAR ENERGY .--2 vd apply to monomore T-JASUNBO XI (1) 3 TREATMENT OF SECTION 38 PROPERTY .--3 "(A) amounts paid or incurred with respect to te a certain exchanges) is amended by striking wik or 188 insulation after December 31, 1977, or 4 5 (A) insulation installed (other than pursuant 5 "(B) amounts paid or indurred with respect -6th to a reconstruction of the building) after March 17. 6 to solar energy equipment after December 31, 7 behaving 1975, and before January 1, 1978, in a structure 7 constructed, reconstructed, creeted, 0880, contred which was in existence on March 17, 1975, and was 8 (b) AIR CONDITIONING, SPACE HEATERS, ETC.-Subused on such date in a trade or business (or held 9 9 paragraph (A) of section 48(a) (1) (defining section 38 10 loss lo for the production of income) or (a) 10 property) is amended to read as follows: (2) 11 behaving "(B) solar energy equipment installed after "(A) tangible personal property (other than 11 March 17, 1975, and before January 1, 1981, 12 an air conditioning or heating unit), or". 12 13 shall be treated as section 38 property. 13 (c) EFFECTIVE DATES.— 14 "(2) LODGING BULE NOT TO APPLY.-For pur-14 (1) The amendments made by subsection (a) shall poses of this subsection, paragraph (3) of subsection 15 apply to amounts paid or incurred after March 17, 1975. 15 16 (a) (relating to property used for lodging) shan not 16 (2) The amendment made by subsection (b) shall 17 apply to property placed in service after the date of the 17 apply apply and sales Morta user or "(3) DEFINITIONS .-- For purposes of this subsec-18 18 18 (a) INSULATION AND SOLAR ENERGY - Colion 41 19 SEC. 532. GENERATING FACILITIES POWERED BY PETRO-20: 10 202000000 "(A) INSULATION .- The term 'insulation' has 20 LEUM AND PETROLEUM PRODUCTS. 21 the meaning given to such term by section 44C (c) 21 (a) IN GENERAL — Paragraph (1) of section 48 (a) 21 (k) as subsection (1) and by adding after (2) basetion 22 (defining section 38 property) is amended by adding at the 22 "(B) SOLAR ENERGY EQUIPMENT,--The term end thereof the following new sentence: "Such term does 23 'solar energy equipment' has the meaning given to 24 24 not include any electrical generating property fueled by such term by section 44D (c) (2). 25 petroleum or petroleum products (including natural gas) c' 25

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property the construction, reconstruction, or 2 erection of which was begun by the taxpayer 3 before April 18, 1975, or property the acquisition of which by the taxpayer occurred before such date, 5

6 then the amendment made by subsection (a) shall not apply to all property comprising such plant facility. For purposes of clause (iii) of the preced-8 9 ing sentence, the rules of paragraphs (2) and (4) 10 shall be applied.

(B) PLANT FACILITY DEFINED.—For purposes 11 of this paragraph, the term "plant facility" means 12 13 a facility which does not include any building (or of 14 which buildings constitute an insignificant portion) 15 and which is (2)

or processing operation,

20 purchasing and internal financial plans of the 21 taxpayer as a single unitary project. 22 (C) COMMENCEMENT OF CONSTRUCTION.-23 For purposes of subparagraph (A) (ii), the con-24 struction, reconstruction, or erection of a plant facil-25 ity shall not be considered to have commenced until

I Hada (b) EFFECTIVE DATE. (4) 2 (1) IN GENERAL.—The amendment made by sub-Simple section (a) shall apply to property which is placed in 4 service after April 17, 1975. togges div (2) BINDING CONTRACTS. + The amendment made 6 by subsection (a) shall not apply to property which is 7 constructed, reconstructed, erected, or acquired pursuant to a contract which was, on April 17, 1975, and 89 and at all times thereafter, binding on the taxpayer. (3) PLANT FACILITY RULE. 10 (11) redito) vite (A) GENERAL RULE. If 12 (i) pursuant to a plan of the taxpaver in 13 existence on April 17, 1975 (which plan was 14 (a) not substantially modified at any time after such 15 date and before the taxpayer placed the plant 16 (i) a self-contained, single operating unit 17 bout structed, reconstructed, or erected a plant facil-18 ity, and either side to include a single site, and 19 (ii) the construction, reconstruction, or 19 (iii) identified, on April 17, 1975, in the 20 crection of such plant facility was commenced 21) 81 notice of by the taxpayer before April 18, 1975, or

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22 is mailine and habe (iii) more than 50 percent of the aggregate 23 adjusted basis of all the property of a character 24 based y subject to the allowance for depreciation making 25 12 lemma gup such plant facility, is attributable to either

To its interestion, report of such plant facility. The preis a set of menced at the site of such plant facility. The preis a set of such apply if the site of such a set of such apply if the site of such a set of such apply if the site of such a set of set of such a set of set o

5 (4) MACHINERY OR JEQUIPMENT RULE.—The 166 (a) amendment made by subsection (a) shall not apply to 172 (d) any piece of machinery or equipment. 18 and all (ii (A) more than 50 percent of the parts and (9) bits (2) components of which (determined on the basis of 10 cost) were held by the taxpayer on April 17, 1975, 10 cost) were held by the taxpayer pursuant to a bind-13 and (a) and and the subsection of use in such (4) MACHINERY OR JEQUIPMENT RULE.—The 16 and (b) amendment machinery or equipment, and (4) MACHINERY OR JEQUIPMENT RULE.—The 16 and (b) amendment machinery or equipment, and (5) (10 and (10

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15 (B) the cost of the parts and components of the guits of which is not an insignificant portion of the total

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17 or processing operation. .teo

18 (c) QUALIFIED PROGRESS EXPENDITURES.—Nothing 19 in the amendment made by subsection (a) shall be construed 20 to deny any investment credit for qualified progress expendi-21 tures described in section 46 (d) of the Internal Revenue 22 Code of 1954 for any taxable year beginning before April 23 17, 1975. (A) derivation and a section of 24 SEC. 533 RECYCLING TAX CREDIT. 125 bon (a) ALLOWANCE OF CREDIT.—Paragraph (1) of sec1 tion 46.(a) (relating to amount of credit), (as amended by
2 saction 301.(a) of the Tax Reduction Act of 1975) is
3 amended by adding at the end, thereof, the following new
14 subparagraph:
5 may offer (E) AMOUNT FOR QUALIFIED RECYCLING
6 PUECHASE.—The amount of the credit allowed
7 may section 38 for the taxable year shall be the sum
8' down offer down of the amount determined under the pse10 ceding provisions of this paragraph, plus
11 forth in subparagraph (A) of the qualified re-

For purposes of clause (ii), paragraph (2) (6)
shall be applied by substituting '100 percent' for
'50 percent'."
(b) QUALIFIED RECYCLING PURCHASE DEFINED.
Section 46 is amended by adding at the end thereof the following new subsection:

13 cycling purchase (as defined in subsection

21 "(g) QUALIFIED RECYCLING PURCHASE .---

22 "(1) IN GENERAL,—For-purposes of this subpart, 23 the term 'qualified recycling purchase' means, with re-24 spect to any taxable year, the applicable percentage of 25 the amount paid or incurred by the taxpayer to purchase

any class of postconsumer solid waste materials (as defined in section 48(1)) which were recycled within the 2 United States by the taxpayer during the taxable year. 3 In the case of any taxpayer, such term does not include 4 amounts paid or incurred during the taxable year for 5 any class of postconsumer solid waste materials if a sub-1.8 See stantial portion of the materials resulting from the re-7 cycling by the taxpayer during such year of such class 8 is exported from the United States. 9 "(2) APPLICABLE PERCENTAGE .- For purposes of 10 paragraph (1), the applicable percentage shall be 100 11 12 percent reduced by the price adjustment percent deter-13 mined under paragraph (3) for the calendar quarter in 14 which the amount was paid or incurred. 15 (3) PRICE ADJUSTMENT PERCENT .-- For pur-16 poses of paragraph (2), the price adjustment percent 17 for any calendar quarter for any class of postconsumer 18 solid waste materials shall be the percent, if any, by 19 Mich which a second s 20 "(A) the price index (prepared by the De-21 partment of Labor) for such class for the computa-22 tion guarter, exceeds -23 (B) 200 percent of the average of the price 24 an indexes for such class for the base period, increased to reflect the increase (if any) in the Consamer 25

1 Price Index prepared by the Department of Labor 2 for the computation quarter over the average of such indexes for the base period. 3 The price adjustment percent for each calendar guarter 4 for each class of postconsumer solid waste materials shall 5 be determined by the Secretary or his delegate and pub-6 lished in the Federal Register. . 7 8 "(4) DEFINITIONS FOR PURPOSES OF PARAGRAPH (3).—For purposes of paragraph (3)— 9 10 "(A) BASE PERIOD.—The term 'base period' 11 means the calendar years 1971 through 1973. "(B) COMPUTATION QUARTER.—The term 12 13 'computation quarter' means, with respect to any calendar quarter, the most recent preceding calen-14 15 dar quarter for which the price index for the class 16 of postconsumer solid waste materials is available. 17 (5) RECYCLE DEFINED. For purposes of this 18 subsection, the term 'recycle' means to subject to a treatment which alters the composition or physical properties 19 20 of a material. Such term does not include a process con-21 sisting merely of sorting; shredding, stripping, compressing, and packing for storage and shipment. 22 23 (6) PURCHASE. For purposes of this subsection. 24 the term 'purchase' has the meaning assigned to such 25 - 1 term by section 179 (d) (2)."

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1 (b) POST-CONSUMER SOLID WASTE MATERIALS DE-			1 "(2) LIMITATION TO 15 PERCENT OF QUALIFIED
2 -FINED Section 48 (relating to definitions and special rules			2 INVESTMENT IN RECYCLING EQUIPMENT.—The aggre-
3 for purposes of the investment credit) is amended by redes-			3 gate amount of the credit allowed under section 38 by
4 ignating subsection (1) as subsection (m) and by inserting			4 reason of section 46(a) (1) (E) (ii) for any taxable
5 after subsection (k) the following new subsection:		e e e e e e e e e e e e e e e e e e e	5 year shall not exceed—
6 (1) SPECIAL RULES RELATING TO RECYCLING	*		6 "(A) 15 percent of the aggregate qualified in-
7 "(1) POST-CONSUMER SOLID WASTE MATERIALS	2 -4 1	Υ.	7 vestment (determined under subsections (c) and
8 DEFINED.—For purposes of this subpart, the term 'post-			8 (d) of section 46) in machinery or equipment for
9 consumer solid waste materials' means glass, paper, tex-			9 recycling post-consumer solid waste materials prop-
10 tiles, nonferrous metals (other than precious metals and			10 erly attributable to periods after the date of the
11 other than copper base scrap), or ferrous metals which			11 enactment of this paragraph and before the close
12 have been used by an ultimate consumer and which have			12 of such taxable year, reduced by
13 no significant value or utility except as waste material.			13 "(B) the aggregate amount of the credit
14 For purposes of the preceding sentence, the use of any			14 allowed under section 38 by reason of section 46
15 material in the further manufacture of a significantly			15 (a) (1) (E) (ii) for prior taxable years.
16 different article by a person shall be treated as a use by	9	4	16 For purposes of subparagraph (A), qualified invest-
17 an ultimate consumer, but only if such person cannot	2	1.	17 ment shall be taken into account only if it is attributable
18 reuse the waste material in such further manufacture			18 to periods before January 1, 1984. To the extent that
19 and only if neither such person nor any related person			19 any amount is not allowable for any taxable year solely
20 is engaged in the manufacture of such material or in the			20 by reason of the first sentence of this paragraph, such
21 processing of such waste material. The term 'post-			amount shall be treated as arising in the next succeeding
22 consumer solid waste materials' does not include any			22 taxable year.
23 material which becomes a component part of property			23 "(3) SUBCHAPTER S CORPORATIONS; ESTATES
24 which is section 38 property in the hands of the tax-			24 AND TRUSTS.—For purposes of this subpart, rules similar
25 payer who recycles such material.	· .		

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to the rules set forth in subsections (e) and (f) shall 1 apply with respect to qualified recycling purchases." 2 (c) CLERICAL, ETC., AMENDMENTS.-3.00 4 (1) The heading for section 38 is amended to read 5 6 "SEC. 38. INVESTMENT IN CERTAIN DEPRECIABLE PROP-7 ERTY AND PURCHASES OF CERTAIN RECY-8 CLABLE WASTE." (2) The table of sections for subpart A of part IV 9 900 - 161 10 of subchapter A of chapter 1 is amended by striking out 11 the item relating to section 38 and inserting in lieu 12 thereof the following: "Sec. 38. Investment in certain depreciable property and purchases of certain recyclable waste." (3) The heading of subpart B of part IV of sub-13 chapter A of chapter 1 is amended to read as follows: 14 15 "Subpart B-Rules for Computing Credit for Investment 16 in Certain Depreciable Property and Purchases of 17 Certain Recyclable Waste". 18 (4) The table of subparts for such part IV is 19 amended by striking out the item relating to subpart B 20 and inserting in lieu thereof the following: "Subpart B. Rules for computing credit for investment in certain depreciable property and purchases of certain recyclable waste."

1	(d) EFFECTIVE DATE
2	(1) IN GENERALExcept as provided in para-
3	graph (2), the amendments made by this section shall
4	apply to amounts paid or incurred after December 31,
5	1975, in taxable years ending after December 31, 1975.
6	(2) TERMINATION OF PROVISIONS.—The amend-
7	ments made by this section shall not apply to amounts
8	paid or incurred after December 31, 1980, by the tax-
9	payer to purchase postconsumer solid waste materials,
10	and no credit shall be allowable under section 38 by
11	reason of section 46(a) (1) (E) (ii) for any taxable
12	year ending after December 31, 1983.

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Union Calendar No. 105 94TH CONGRESS 1st Session **H. R**. 6860 2,5 Sec. er. [Report No. 94-221] A BILL z's To provide a comprehensive national energy conservation and conversion program. Anne -5 By Mr. Ullman AMEVED. _ 1 MAY 9, 1975 No. 2. 6 Line (Referred to the Committee on Ways and Means MAY 15, 1975 والقوادية والم والمحاج Reported with amendments, committed to the Com-<u>,</u> mittee of the Whole House on the State of the - 75 8 2 5 7 5 5 , . Union, and ordered to be printed 2 ÷., . الموط 140 Parts - 5 5 m . . č 2 الم المراجع الماري المراجع ine Tra 2 919 24 25 2 m 2000 1.9 ÷. 1. 1. 1. 1. 1. 1.

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