

**- Committee on Finance -
 ESTIMATED REVENUE EFFECTS OF
 THE "ENERGY INDEPENDENCE AND INVESTMENT ACT OF 2008"**

Fiscal Years 2009 - 2018

[Millions of Dollars]

Provision	Effective	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2009-13	2009-18
I. Energy Production Incentives													
1. Extension and modification of the section 45 renewable energy credit - extend by three years the section 45 placed- in-service period (excluding Indian coal and solar facilities); add marine and hydrokinetic energy as qualified energy resource; allow new biomass units to qualify for credit; clarify definition of trash combustion facilities; change definition of qualified hydropower production; and remove market value test for refined coal and increase emissions standards for refined coal (sunset 12/31/11).....	[1]	-152	-545	-1,124	-1,632	-1,875	-1,941	-1,988	-2,029	-2,054	-2,074	-5,327	-15,414
2. Extension and modification of the section 48 energy credit - add CHP at 10% credit, increase fuel cell credit cap to \$1,500 per half KW, waive public utility rule, and allow against AMT (sunset 12/31/16).....	[2]	-150	-188	-224	-203	-194	-207	-218	-211	-119	-51	-959	-1,765
3. Extend and modify credit for residential energy efficient property - allow credit against AMT, raise solar electric property cap to \$4,000; and add small wind (\$4,000 cap) and geothermal (\$2,000 cap) property (sunset 12/31/16).....	tyba 12/31/07	-51	-98	-101	-104	-108	-112	-116	-120	-98	---	-462	-907
4. New clean renewable energy bonds (\$2 billion of bond allocation) [3] extend termination date for section 54 CREBs.....	bia DOE	-2	-8	-19	-36	-57	-76	-86	-88	-88	-88	-123	-551
5. Energy credit for commercial small wind property (sunset 12/31/16).....	ppisa DOE	-1	-2	-3	-4	-5	-7	-8	-10	-6	-2	-16	-48

Provision	Effective	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2009-13	2009-18
6. Energy credit for geothermal heat pump systems (sunset 12/31/16).....	ppisa DOE	-7	-10	-12	-14	-16	-17	-18	-19	-11	-5	-59	-129
7. Expansion and modification of the advanced coal project investment credit.....	DOE	-649	-632	-520	-351	-185	-81	-17	15	24	24	-2,338	-2,373
8. Expansion and modification of coal gasification investment credit.....	DOE	----- <i>Estimate Included in Line Above</i> -----											
9. Temporary increase in coal excise tax; funding of Black Lung Disability Trust Fund:													
a. Extend excise tax on coal at current rates (sunset 12/31/18).....	DOE	---	---	---	---	---	203	271	271	271	271	---	1,287
b. Restructure Black Lung Trust Fund debt and Authorize intergovernmental transfer [4].....	DOE	----- <i>No Net Budget Effect</i> -----											
10. Special rules for refund of coal excise taxes paid by certain coal producers and exporters.....	DOE	-260	16	14	12	8	5	3	3	---	---	-211	-199
11. Industrial CO2 capture and sequestration tax credit.....	cdca DOE	---	---	-60	-155	-234	-284	-194	-104	-61	-29	-449	-1,119
12. Carbon audit of the tax code.....	DOE	----- <i>No Revenue Effect</i> -----											
Total of Energy Production Incentives		-1,272	-1,467	-2,049	-2,487	-2,666	-2,517	-2,371	-2,292	-2,142	-1,954	-9,944	-21,218

II. Transportation and Domestic Fuel Security Provisions

1. Expansion of special depreciation allowance for cellulosic biomass ethanol plant property through 2012.....	[5]	-1	-2	-1	---	---	1	1	1	---	---	-3	---
2. Extension and modification of credits for biodiesel and renewable diesel:													
a. Extend biodiesel (including 10 cents per gallon small agri-biodiesel producer credit) and make \$1.00 per gallon credit available to all biodiesel (sunset 12/31/11).....	fpsoua 12/31/08	-370	-618	-793	-227	---	---	---	---	---	---	-2,008	-2,008
b. Extend renewable diesel through 12/31/11; eliminate thermal depolymerization requirement; limit credit available for renewable diesel co-produced with petroleum products (60 million gallon per facility limit).....	fpsoua 12/31/08 & DOE	-75	-119	-138	-43	---	---	---	---	---	---	-375	-375
c. Qualify biomass jet fuel for renewable diesel credit.....	fpsoua 12/31/08	[6]	[6]	[6]	[6]	---	---	---	---	---	---	[6]	[6]
3. Clarification that credits for fuel are designed to provide incentive for fuels with sufficient nexus to the United States.....	[7]	42	36	38	11	---	---	---	---	---	---	127	127

Provision	Effective	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2009-13	2009-18
4. Credit for new qualified plug-in electric drive motor vehicles - 250,000 vehicle cap, 6 kilowatt-hour battery minimum with battery as 'primary' power source; includes neighborhood electric vehicles.....	tyba 12/31/08	---	---	-25	-130	-156	-212	-233	---	---	---	-311	-755
5. Extension and modification of alternative motor vehicle credit - increase the light fuel cell vehicle credit to \$7,500 at the end of 2009; extend lean burn credit through 12/31/11; extend heavy hybrids (but not light cars and trucks) through 12/31/11; and extend the alternative fuel vehicle credit through 12/31/11; and allow against the individual AMT.....	DOE	---	-43	-242	-212	-6	-9	-8	-5	-2	-1	-503	-527
6. Exclusion from heavy vehicles excise tax for idling reduction units and advanced insulation.....	soia DOE	-2	-3	-5	-7	-9	-10	-12	-14	-15	-17	-27	-95
7. Extension and modification of alternative fuels excise tax credits, credit allowed for aviation use of fuel, alternative fuel to include compressed or liquefied biomass gas, and additional carbon dioxide sequestration requirements for coal-to-liquids (sunset 12/31/11 for non-hydrogen fuels).....	DOE & fsoua DOE	---	-247	-258	-64	---	---	---	---	---	---	-569	-569
8. Alternative fuel vehicle refueling property credit - 3-year extension including electric vehicle recharging stations, maximum \$30,000/30% credit..	ppisa DOE & tyba DOE	-1	-31	-63	-77	-49	-23	-12	-3	3	1	-221	-256
9. Income and gains from storage or transportation of alcohol fuels and mixtures, biodiesel fuels and mixtures, and alternative fuels and mixtures treated as qualifying income for publicly traded partnerships.....	tyea DOE	-4	-4	-5	-6	-7	-8	-9	-10	-12	-13	-26	-78
10. Extend incentives related to alcohol fuels (VEETC) including 10 cents per gallon small ethanol producer credit (sunset 12/31/11).....	tyba 12/31/10	---	---	-3,637	-1,341	---	---	---	---	---	---	-4,978	-4,978
11. 10-cent small producer credit for fossil-free producers of alcohol (sunset 12/31/11).....	Apa 12/31/08	-33	-51	-94	-32	---	---	---	---	---	---	-210	-210
12. Modification of election to expense certain refineries (sunset 12/31/13).....	ppisa DOE	-72	-79	-64	-721	-1,133	-144	443	356	288	233	-2,069	-894

Provision	Effective	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2009-13	2009-18
13. Extension of suspension of 100 percent-of-net-income limitation on percentage depletion for oil and natural gas from marginal properties (sunset 12/31/10).....	tyba 12/31/07	-204	-120	-41	---	---	---	---	---	---	---	-364	-364
Total of Transportation and Domestic Fuel Security Provisions		-720	-1,281	-5,328	-2,849	-1,360	-405	170	325	262	203	-11,537	-10,982
III. Energy Conservation and Efficiency Provisions													
1. Qualified energy conservation bonds (\$3.0 billion allocation) [3].....	bia DOE	-24	-66	-102	-119	-119	-119	-119	-119	-119	-119	-430	-1,025
2. Extension and modification of credit for energy efficiency improvements to existing homes (sunset 12/31/11).....	ppisa 12/31/08	-23	-895	-820	-771	---	---	---	---	---	---	-2,509	-2,509
3. Extension of energy efficient commercial buildings deduction (sunset 12/31/13).....	DOE	-113	-183	-193	-197	-201	-59	17	15	13	10	-888	-891
4. Extension of credit for energy efficient new homes (sunset 12/31/11).....	ppisa 12/31/08	-21	-30	-31	-20	-12	-10	-9	-6	-3	-1	-114	-143
5. Extension and modification of energy efficient appliance credit	apa 12/31/07	-182	-65	-36	-26	-11	-2	---	---	---	---	-320	-322
6. 7-year applicable recovery period for qualified smart electric distribution property, 150 declining balance method	ppisa DOE	-14	-41	-77	-111	-147	-188	-235	-278	-305	-321	-389	-1,716
7. Extend qualified green building and sustainable design project bonds (sunset 9/30/12).....	DOE	---	-1	-3	-5	-6	-6	-6	-6	-6	-6	-15	-45
8. Special depreciation allowance for certain reuse and recycling property.....	ppisa 8/31/08	-17	-32	-27	-21	-17	-14	-11	-8	-7	-8	-114	-162
Total of Energy Conservation and Efficiency Provisions		-394	-1,313	-1,289	-1,270	-513	-398	-363	-402	-427	-445	-4,779	-6,813
IV. Miscellaneous Energy Provisions													
1. Special rule to implement FERC and State electric restructuring policy (sunset 12/31/10).....	[8]	-519	-39	90	90	90	90	109	72	16	---	-287	---
2. Modification of credit for production from advanced nuclear power facilities - expand overall nuclear PTC cap to 8,000 megawatts.....	DOE	----- <i>No Revenue Effect</i> -----											
3. Tax treatment of certain income received in connection with the Exxon Valdez litigation (3-year income averaging with maximum retirement plan contribution of up to \$100,000).....	DOE	-27	-6	-2	-2	-2	-2	-2	-2	-2	-2	-38	-49
Total of Miscellaneous Provisions		-546	-45	88	88	88	88	107	70	14	-2	-325	-49

Provision	Effective	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2009-13	2009-18
V. Revenue Provisions													
1. Deny section 199 deduction for major integrated and/or State owned oil companies, and freeze at 6% for all others, for income attributable to domestic production of oil, gas, or primary products thereof.....	tyba 12/31/08	380	975	1,201	1,290	1,387	1,490	1,602	1,652	1,851	2,076	5,233	13,904
2. 13% severance tax on the removal price of any taxable crude oil or natural gas produced from Federal submerged lands on the outer continental shelf in the Gulf of Mexico [9].....	co/ngra 12/31/08	1,235	1,298	1,214	1,204	1,120	1,112	1,141	1,159	1,126	1,053	6,072	11,663
3. Eliminate the distinction between FOGEI and FORI and apply present-law FOGEI rules to all foreign income from the production and sale of oil and gas product.....	tyba 2008	89	194	204	214	225	236	248	260	273	287	926	2,230
4. Broker reporting of customer's basis in securities transactions.....	[10]	---	---	34	214	465	794	1,286	1,611	1,737	1,840	713	7,980
5. Extend and increase excise tax rate to \$0.12 for the Oil Spill Liability Trust Fund (sunset 12/31/17); eliminate the provision that suspends the tax when the trust fund unobligated balance exceeds \$2.7 billion.....	[11] & DOE	362	367	371	376	378	381	383	384	385	96	1,856	3,485
Total of Provisions that Raise Revenue		2,066	2,834	3,024	3,298	3,575	4,013	4,660	5,066	5,372	5,352	14,800	39,262
VI. Other Provisions													
1. Secure rural schools and community self-determination program [4].....	DOE	-669	-820	-755	-650	-395	5	5	5	5	5	-3,289	-3,264
2. Uniform definition of qualifying child.....	tyba 12/31/08	7	198	203	169	174	180	185	191	197	204	751	1,709
Total of Other Provisions		-662	-622	-552	-481	-221	185	190	196	202	209	-2,538	-1,555

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding. Date of enactment is assumed to be October 1, 2008.

[Legend and Footnotes for Table #08-2 130 R3 are on the following page]

Provision	Effective	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2009-13	2009-18
-----------	-----------	------	------	------	------	------	------	------	------	------	------	---------	---------

Legend and Footnotes for Table #08-2 130 R3:

Legend for "Effective" column:

- | | | |
|--|--|--|
| apa = appliances produced after | co/ngra = crude oil or natural gas removed after | pa = payments after |
| Apa = alcohol produced after | DOE = date of enactment | ppisa = property placed in service after |
| apoia = amounts paid or incurred after | ea = expenditures after | soia = sales or installations after |
| bia = bonds issued after | fpsoua = fuels produced, sold, or used after | spa = services performed after |
| bib = bonds issued before | frap = Federal regulations are prescribed | tyba = taxable years beginning after |
| cdca = carbon dioxide captured after | | |

[1] The proposal is generally effective for property originally placed in service after December 31, 2008. The repeal of the credit phaseout is effective for taxable years ending after December 31, 2008. The production credit for marine renewables is effective for electricity produced and sold after the date of enactment in taxable years ending after the date of enactment.

[2] The provision extending the 30-percent credit is generally effective on the date of enactment. The CHP credit and the increase in the credit cap for fuel cells apply to periods after the date of enactment, in taxable years ending after such date, under rules similar to the rules of section 48(m) of the Internal Revenue Code (the "Code") (as in effect on the day before the enactment of the Revenue Reconciliation Act of 1990). The provision relating to the restrictions on public utility property applies to periods after February 13, 2008, in taxable years ending after such date, under rules similar to the rules of section 48(m) of the Code (as in effect on the day before the enactment of the Revenue Reconciliation Act of 1990). The allowance of the credit against the alternative minimum tax is effective for taxable years beginning after the date of enactment.

[3] Credit rate set at 70 percent of the credit rate that would allow bonds to be issued without discount or premium.

[4] Estimate provided by the Congressional Budget Office and is preliminary and subject to change.

[5] Effective for property placed in service after the date of enactment in taxable years ending after the date of enactment.

[6] Loss of less than \$500,000.

[7] Effective for claims for credit or payment made on or after May 15, 2008.

[8] The extension and change in definition applies to transactions after December 31, 2007. The change in timing of transfer of operational control is effective as if included in the American Jobs Creation Act of 2004. The exception for property located outside the United States applies to transactions after the date of enactment.

[9] Estimated revenue effects of the proposal are based on the Congressional

Budget Office ("CBO") March 2008 baseline for refiners' acquisition costs.	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
--	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------

The March 2008 forecast for refiners' acquisition costs is as follows.....	81.30	75.00	72.41	73.08	73.75	74.31	74.81	75.31	75.81	76.31
--	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------

In September 2008 the CBO issued its mid-year updated budget

forecast. The September forecast for refiners' acquisition costs is as	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
--	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------

follows.....	128.09	130.94	133.34	135.90	138.48	141.10	143.80	146.63	149.49	152.42
--------------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

If the revenue estimate in the table had been calculated employing the CBO

September 2008 baseline for refiners' acquisition costs, the estimate	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2009-13</u>	<u>2009-18</u>
---	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	----------------	----------------

would have been as follows.....	1,613	1,816	1,758	1,775	1,653	1,657	1,719	1,758	1,701	1,561	8,617	17,015
---------------------------------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------

[10] Generally effective for transactions on or after January 1, 2010, for stock in a corporation; January 1, 2011, for mutual funds; and January 1, 2012, for other securities.

[11] Effective for the first quarter that begins more than 60 days after the date of enactment.