

ESTIMATED REVENUE EFFECTS OF
 THE "ENERGY ADVANCEMENT AND INVESTMENT ACT OF 2007," AS MODIFIED BY THE CHAIRMAN,
 SCHEDULED FOR MARKUP BY THE COMMITTEE ON FINANCE ON JUNE 19, 2007

Fiscal Years 2007 - 2017

[Millions of Dollars]

| Provision | Effective | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2007-12 | 2007-17 |
|--|-----------------|-----------|-------------|---------------|---------------|---------------|---------------|-------------|-------------|-------------|-------------|-------------|---------------|---------------|
| I. Incentive for Renewable Electricity - extension and modification of credit for the production of electricity from renewable resources (extend placed-in-service period through 12/31/13 for all qualified facilities except solar and Indian coal; extend Indian coal credit period through 12/31/13; add wave power; modify 3rd party sale requirement for open-loop biomass; modify definitions of refined coal and trash combustion facility; eliminate inflation adjustment for electricity sold after 12/31/07) | | | | | | | | | | | | | | |
| | ppisa 12/31/07 | --- | -35 | -106 | -324 | -618 | -951 | -1,324 | -1,606 | -1,694 | -1,728 | -1,756 | -2,033 | -10,141 |
| II. Advanced Electricity Infrastructure Provisions | | | | | | | | | | | | | | |
| 1. Modification of clean renewable energy bonds (\$900 million allocation in 2008, 2009, 2010, and 2011)..... | DOE | --- | -5 | -23 | -60 | -121 | -184 | -205 | -194 | -182 | -169 | -156 | -393 | -1,299 |
| 2. Credit to holders of clean coal energy bonds (\$3 billion allocation)..... | bia 12/31/07 | --- | -5 | -19 | -41 | -91 | -152 | -171 | -162 | -151 | -141 | -130 | -308 | -1,063 |
| 3. Extension and modification of section 48 energy credit (remove \$1,000 cap on fuel cells; add 10% credit for CHP; sunset 12/31/16)..... | pa DOE | -2 | -22 | -62 | -99 | -94 | -77 | -75 | -77 | -72 | -70 | -42 | -356 | -691 |
| 4. Special depreciation allowance for qualifying electricity transmission property - provide 50% bonus depreciation for property used as a generator tie to transmit electricity from section 45 facilities to the grid (sunset 12/31/13)..... | [1] | --- | -130 | -210 | -256 | -350 | -130 | -144 | 122 | 112 | 104 | 99 | -1,076 | -784 |
| 5. Extension of special rule to implement FERC restructuring policy (sunset 12/31/09)..... | qsooda 12/31/07 | --- | -229 | -290 | -39 | 90 | 90 | 90 | 90 | 109 | 72 | 16 | -377 | --- |
| 6. Extend credit for residential energy efficient property - impose \$4,000 cap per taxpayer on solar electric property (sunset 12/31/14)..... | ea 12/31/07 | --- | -1 | -14 | -53 | -47 | -24 | -25 | -26 | -21 | --- | --- | -139 | -211 |
| 7. Credit for residential wind property - provide 30% credit, capped at \$4,000, for residential applications of small wind (sunset 12/31/14)..... | ea 12/31/07 | --- | -1 | -3 | -3 | -4 | -6 | -7 | -8 | -5 | -2 | -1 | -17 | -41 |
| 8. Expansion and modification of the advanced coal project investment credit..... | --- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| 9. Expansion and modification of the coal gasification credit.... | DOE | --- | -563 | -848 | -785 | -791 | -524 | -237 | -109 | -28 | 24 | 38 | -3,511 | -3,823 |
| 10. Seven-year applicable recovery period for qualified electric energy management devices (sunset 12/31/10)..... | ppisa DOE | -1 | -7 | -24 | -49 | -59 | -45 | -28 | -19 | -17 | -11 | 4 | -185 | -255 |
| 11. Landowner incentives to encourage electric transmission build-out (exclusion applies only to payments received related to transmission lines and equipment used to transmit electricity at 230 or more kilovolts)..... | pra DOE | --- | -19 | -16 | -17 | -18 | -18 | -19 | -20 | -21 | -23 | -23 | -88 | -193 |
| Total of Advanced Electricity Infrastructure Provisions | | -3 | -982 | -1,509 | -1,402 | -1,485 | -1,070 | -821 | -403 | -276 | -216 | -195 | -6,450 | -8,360 |

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|--|-----------------|--|-------------|-------------|-------------|-------------|---------------|---------------|-------------|-------------|-------------|------------|---------------|---------------|
| III. Carbon Mitigation Provisions | | | | | | | | | | | | | | |
| 1. Industrial CO2 capture and sequestration tax credit..... | cdca DOE | --- | --- | --- | --- | -60 | -155 | -234 | -284 | -194 | -104 | -61 | -215 | -1,090 |
| 2. Include CO2 pipeline in 7-year MACRS class (sunset 12/31/13)..... | ppisa DOE | --- | -1 | -3 | -5 | -18 | -52 | -94 | -110 | -80 | -44 | -27 | -79 | -434 |
| 3. Treat income from industrial source carbon dioxide as qualifying income of a publicly traded partnership..... | tyea DOE | --- | --- | --- | --- | --- | -1 | -2 | -3 | -5 | -7 | -10 | -1 | -28 |
| Total of Carbon Mitigation Provisions | | --- | -1 | -3 | -5 | -78 | -208 | -330 | -397 | -279 | -155 | -98 | -295 | -1,552 |
| IV. Domestic Fuel Security Provisions | | | | | | | | | | | | | | |
| 1. Small producer credit for cellulosic alcohol (sunset the latter of 1 billion gallons or 12/31/12)..... | apa 12/31/07 | --- | --- | -2 | -19 | -80 | -139 | -210 | -294 | -85 | --- | --- | -239 | -828 |
| 2. Expansion of special depreciation allowance for cellulosic biomass ethanol plant property..... | [1] | --- | --- | -1 | -1 | -1 | -2 | --- | 1 | 1 | 1 | 1 | -4 | -1 |
| 3. Extension of small ethanol producer credit (sunset 12/31/12)..... | DOE | --- | --- | --- | --- | -15 | -43 | -41 | -28 | -30 | -15 | --- | -57 | -172 |
| 4. 25 cent small producer credit for fossil-free producers of alcohol (sunset 12/31/12)..... | apa 12/31/07 | [2] | -9 | -18 | -35 | -70 | -110 | -36 | --- | --- | --- | --- | -242 | -278 |
| 5. Modification of the incentives relating to alcohol fuels (VEETC)..... | DOE | --- | --- | --- | 294 | 438 | 121 | --- | --- | --- | --- | --- | 854 | 854 |
| 6. Extension of credit for biodiesel (sunset 12/31/10) and small agri-biodiesel credit (sunset 12/31/12)..... | DOE | --- | --- | -84 | -128 | -42 | -10 | -3 | --- | --- | --- | --- | -264 | -267 |
| 7. Extension and modification of renewable diesel incentives (sunset 12/31/10)..... | DOE & fsoua DOE | --- | 25 | -59 | -132 | -44 | --- | --- | --- | --- | --- | --- | -211 | -211 |
| 8. Extension and modification of alternative fuels excise tax credit (sunset 12/31/12 for non-hydrogen fuels)..... | DOE & fsoua DOE | --- | --- | --- | -267 | -281 | -335 | -85 | --- | --- | --- | --- | -883 | -968 |
| 9. Extension of credit for installation of alternative fuel refueling property (sunset 2012 for non-hydrogen refueling property)..... | [1] | -3 | -15 | -21 | -44 | -67 | -80 | -51 | -23 | -12 | -2 | 4 | -230 | -314 |
| 10. Suspension of 100 percent-of-net-income limitation on percentage depletion for oil and natural gas from marginal properties (sunset 12/31/09)..... | tyba 12/31/07 | --- | -64 | -99 | -35 | --- | --- | --- | --- | --- | --- | --- | -198 | -198 |
| 11. Modification of election to expense certain refineries (sunset 12/31/13)..... | ppisa DOE | --- | -41 | -68 | -61 | -50 | -607 | -901 | -91 | 364 | 294 | 238 | -827 | -922 |
| 12. Extension of temporary duty on ethyl alcohol through 12/31/10 [3]..... | DOE | --- | --- | 9 | 13 | 3 | --- | --- | --- | --- | --- | --- | 25 | 25 |
| 13. Elimination of certain refunds of duty imposed on ethanol.... | [4] | ----- Estimate to be Provided by the Congressional Budget Office ----- | | | | | | | | | | | | |
| 14. Treat income from transportation and storage of blended ethanol and biodiesel and certain other fuels as qualifying income of a publicly traded partnership..... | tyea DOE | -1 | -2 | -4 | -4 | -5 | -6 | -7 | -8 | -9 | -11 | -12 | -22 | -69 |
| 15. Technical corrections..... | various | ----- No Revenue Effect ----- | | | | | | | | | | | | |
| Total of Domestic Fuel Security Provisions | | -4 | -106 | -347 | -419 | -214 | -1,211 | -1,334 | -443 | 229 | 267 | 231 | -2,298 | -3,349 |
| V. Advanced Technology Vehicle Provisions | | | | | | | | | | | | | | |
| 1. Expansion and modification of credit for alternative fuel motor vehicles..... | DOE | --- | --- | --- | -35 | -204 | -258 | -189 | -12 | -23 | -21 | -15 | -498 | -759 |
| 2. Consumer incentives to purchase plug-in hybrid vehicles (vehicle credit sunsets 12/31/14; conversion credit sunsets 12/31/09)..... | [5] | --- | -1 | -8 | -18 | -23 | -115 | -139 | -192 | -210 | --- | --- | -165 | -706 |
| 3. Exclusion from heavy truck tax for idling reduction units and advanced insulation..... | rsoia 12/31/07 | --- | -1 | -2 | -3 | -5 | -7 | -9 | -10 | -11 | -13 | -15 | -20 | -77 |
| Total of Advanced Technology Vehicle Provisions | | --- | -2 | -10 | -56 | -232 | -380 | -337 | -214 | -244 | -34 | -30 | -683 | -1,542 |

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|---|-----------------|---|-------------|-------------|-------------|-------------|-------------|-------------|------------|------------|-----------|------------|---------------|---------------|
| VI. Conservation and Energy Efficiency Provisions | | | | | | | | | | | | | | |
| 1. Extension and modification of credit for energy efficiency improvements to existing homes (sunset 12/31/09)..... | ppisa 12/31/07 | --- | -105 | -531 | -426 | --- | --- | --- | --- | --- | --- | --- | -1,063 | -1,063 |
| 2. Extension and modification of credit for construction of new energy efficient homes (sunset 12/31/11)..... | hpa 12/31/08 | --- | --- | -24 | -32 | -34 | -22 | -12 | -11 | -10 | -6 | -4 | -112 | -157 |
| 3. Extension and modification of deduction for certain energy efficient commercial building property (sunset 12/31/13)..... | ppisa DOE | -26 | -96 | -194 | -249 | -263 | -269 | -245 | -64 | 25 | 21 | 18 | -1,099 | -1,345 |
| 4. Extension of energy efficient appliances tax credit..... | Apa 12/31/07 | --- | -104 | -98 | -62 | -28 | -6 | -2 | --- | --- | --- | --- | -298 | -300 |
| Total of Conservation and Energy Efficiency Provisions | | -26 | -305 | -847 | -769 | -325 | -297 | -259 | -75 | 15 | 15 | 14 | -2,572 | -2,865 |
| VII. Accountability Studies | | | | | | | | | | | | | | |
| 1. Cost benefit analysis of pollution reduction and saving in imported oil per dollar of tax benefit..... | DOE | ----- <i>No Revenue Effect</i> ----- | | | | | | | | | | | | |
| 2. Study of effect of energy related tax benefits on prices for consumer goods..... | DOE | ----- <i>No Revenue Effect</i> ----- | | | | | | | | | | | | |
| 3. Study of tax credit bonds..... | DOE | ----- <i>No Revenue Effect</i> ----- | | | | | | | | | | | | |
| Total of Accountability Studies | | ----- <i>No Revenue Effect</i> ----- | | | | | | | | | | | | |
| VIII. Other Provisions | | | | | | | | | | | | | | |
| A. Deduction for Qualified Timber Gain and Timber REIT Provisions (sunset one year after the date of enactment).... | DOE | -6 | -139 | -110 | -61 | -58 | -56 | -20 | -1 | -1 | -1 | -1 | -430 | -454 |
| B. Special Rules for Refund of Coal Excise Taxes Paid by Certain Coal Producers and Exporters..... | DOE | 5 | -269 | 34 | 30 | 26 | 23 | 15 | 9 | 6 | 6 | 2 | -151 | -113 |
| C. Credit to Holders of Rural Renaissance Bonds (\$400 million national allocation)..... | DOE | --- | -6 | -18 | -23 | -22 | -20 | -19 | -17 | -16 | -14 | -13 | -89 | -169 |
| Total of Other Provisions | | -1 | -414 | -94 | -54 | -54 | -53 | -24 | -9 | -11 | -9 | -12 | -670 | -736 |
| IX. Revenue Raising Provisions | | | | | | | | | | | | | | |
| 1. Deny section 199 deduction for major integrated oil companies for income attributable to domestic production of oil, natural gas, or primary products thereof..... | tyba 12/31/07 | --- | 262 | 605 | 748 | 890 | 957 | 1,028 | 1,105 | 1,188 | 1,277 | 1,373 | 3,462 | 9,433 |
| 2. Eliminate the distinction between FOGEL and FORI and apply present-law FOGEL rules to all foreign income from the production and sale of oil and gas product..... | tyba 12/31/07 | --- | 135 | 277 | 291 | 305 | 320 | 336 | 353 | 371 | 389 | 409 | 1,328 | 3,187 |
| 3. Increase and extend Oil Spill Liability Trust Fund tax (sunset 12/31/17)..... | [6] | --- | 262 | 266 | 269 | 273 | 276 | 279 | 280 | 283 | 286 | 287 | 1,346 | 2,760 |
| 4. Elimination of certain refunds of duty involving oil spill liability tax..... | [4] | ----- <i>Estimate to be Provided by the Congressional Budget Office</i> ----- | | | | | | | | | | | | |
| 5. 13% excise 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.... | [7] | 183 | 761 | 927 | 998 | 1,038 | 1,058 | 1,090 | 1,146 | 1,167 | 1,146 | 1,131 | 4,965 | 10,644 |
| 6. Impose excise tax on certain removals of taxable fuel from foreign trade zones..... | roea 12/31/07 | --- | 11 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 19 | 29 |
| 7. Clarification of penalty for sale of fuel failing to meet EPA regulations..... | DOE | --- | [8] | [8] | [8] | [8] | [8] | [8] | [8] | [8] | [8] | [8] | [8] | [8] |
| 8. Clarification of eligibility for certain fuel credits for fuel with insufficient nexus to the United States (various sunsets)..... | fsoua DOE | 2 | 19 | 18 | 18 | 5 | --- | --- | --- | --- | --- | --- | 62 | 62 |
| 9. Treatment of qualified alcohol fuel mixtures and qualified biodiesel fuel mixtures as taxable fuel..... | freosa 12/31/07 | --- | 4 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 2 | 8 | 15 |

| Provision | Effective | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2007-12 | 2007-17 |
|---|-----------------|------------|--------------|--------------|--------------|--------------|--------------|---------------|--------------|--------------|--------------|--------------|---------------|---------------|
| 10. Exclude volume of denaturants from the alcohol fuels credit..... | 1/1/08 | --- | 59 | 84 | 91 | 44 | 25 | 8 | --- | --- | --- | --- | 302 | 310 |
| 11. Tax finished gasoline at the refinery gate..... | freosa 12/31/07 | --- | 636 | 18 | 18 | 20 | 22 | 22 | 22 | 22 | 22 | 22 | 714 | 824 |
| 12. Tax treatment of certain inversion transactions..... | tyba 2006 | 5 | 113 | 99 | 107 | 115 | 123 | 133 | 143 | 153 | 162 | 170 | 562 | 1,323 |
| 13. Increase corporate estimated tax payments due July through September for corporations with assets in excess of \$1 billion in 2012..... | DOE | --- | --- | --- | --- | --- | 2,323 | -2,323 | --- | --- | --- | --- | 2,323 | --- |
| Total of Revenue Raising Provisions | | 190 | 2,262 | 2,297 | 2,543 | 2,693 | 5,107 | 576 | 3,052 | 3,187 | 3,286 | 3,396 | 15,091 | 28,587 |
| NET TOTAL | | 156 | 417 | -619 | -486 | -313 | 937 | -3,853 | -95 | 927 | 1,426 | 1,550 | 90 | 42 |

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding. Date of enactment is assumed to be July 1, 2007.

Legend for "Effective" column:

apa = alcohol produced after

Apa = appliances produced after

bia = bonds issued after

cdca = carbon dioxide captured after

DOE = date of enactment

ea = expenditures after

freosa = fuel removed, entered, or sold after

fsoua = fuels sold or used after

hpa = homes purchased after

ppisa = property placed in service after

pra = payments received after

roea = removals or entries after

rsoia = retail sales or installations after

qsooda = qualified sales or other dispositions after

tyba = taxable years beginning after

tyea = taxable years ending after

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

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

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

[4] Effective for goods exported on or after the date that is 15 days after the date of enactment.

[5] Effective for property placed in service in taxable years beginning after December 31, 2007.

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

[7] Effective for crude oil or natural gas removed after the date of enactment.

[8] Gain of less than \$500,000.