

116TH CONGRESS
1ST SESSION

S. 3107

To amend the Internal Revenue Code of 1986 to establish a tax credit for installation of regionally significant electric power transmission lines.

IN THE SENATE OF THE UNITED STATES

DECEMBER 19, 2019

Mr. HEINRICH introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to establish a tax credit for installation of regionally significant electric power transmission lines.

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 “Electric Power Infra-
5 structure Improvement Act”.

6 **SEC. 2. ESTABLISHMENT OF ELECTRIC POWER TRANS-**
7 **MISSION LINES.**

8 (a) IN GENERAL.—Subpart E of part IV of sub-
9 chapter A of chapter 1 of the Internal Revenue Code of

1 1986 is amended by inserting after section 48C the fol-
 2 lowing new section:

3 **“SEC. 48D. QUALIFYING ELECTRIC POWER TRANSMISSION**
 4 **LINE CREDIT.**

5 “(a) ALLOWANCE OF CREDIT.—

6 “(1) IN GENERAL.—For purposes of section 46,
 7 the qualifying electric power transmission line credit
 8 for any taxable year is an amount equal to the appli-
 9 cable percentage of the qualified investment for such
 10 taxable year with respect to any qualifying electric
 11 power transmission line property of the taxpayer.

12 “(2) APPLICABLE PERCENTAGE.—For purposes
 13 of paragraph (1), the applicable percentage shall be
 14 equal to—

15 “(A) in the case of any qualifying electric
 16 power transmission line property relating to an
 17 overhead transmission facility, 15 percent, and

18 “(B) in the case of any qualifying electric
 19 power transmission line property relating to an
 20 underground or submarine transmission facility,
 21 25 percent.

22 “(b) QUALIFYING INVESTMENT.—

23 “(1) IN GENERAL.—For purposes of subsection
 24 (a), the qualified investment for any taxable year is
 25 the basis of any qualifying electric power trans-

1 mission line property placed in service by the tax-
 2 payer during such taxable year.

3 “(2) CERTAIN QUALIFIED PROGRESS EXPENDI-
 4 TURES RULES MADE APPLICABLE.—Rules similar to
 5 the rules of subsections (c)(4) and (d) of section 46
 6 (as in effect on the day before the enactment of the
 7 Revenue Reconciliation Act of 1990) shall apply for
 8 purposes of this section.

9 “(c) QUALIFYING ELECTRIC POWER TRANSMISSION
 10 LINE PROPERTY.—The term ‘qualifying electric power
 11 transmission line property’ means—

12 “(1) any overhead, submarine, or underground
 13 transmission facility which—

14 “(A) is capable of transmitting electricity
 15 at a voltage of not less than 345 kilovolts,

16 “(B) has a transmission capacity of not
 17 less than 1,000 megawatts,

18 “(C) is an alternating current or direct
 19 current transmission line, and

20 “(D) delivers power produced in either a
 21 rural area or offshore, and

22 “(2) any conductors or cables, towers,
 23 insulators, reactors, capacitors, circuit breakers,
 24 static VAR compensators, static synchronous com-
 25 pensators, power converters, transformers, syn-

1 chronous condensers, braking resistors, and any an-
 2 cillary facilities and equipment necessary for the
 3 proper operation of the facility described in para-
 4 graph (1).

5 “(d) TERMINATION.—This section shall not apply to
 6 any property placed in service after December 31, 2029.”.

7 (b) CONFORMING AMENDMENTS.—

8 (1) Section 46 of the Internal Revenue Code of
 9 1986 is amended—

10 (A) by striking “and” at the end of para-
 11 graph (5),

12 (B) by striking the period at the end of
 13 paragraph (6) and inserting “, and”, and

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

16 “(7) the qualifying electric power transmission
 17 line credit.”.

18 (2) Section 49(a)(1)(C) of such Code is amend-
 19 ed—

20 (A) by striking “and” at the end of clause
 21 (iv),

22 (B) by striking the period at the end of
 23 clause (v) and inserting “, and”, and

24 (C) by adding at the end the following new
 25 clause:

1 “(vi) the basis of any qualifying elec-
2 tric power transmission line property under
3 section 48D.”.

4 (3) The table of sections for subpart E of part
5 IV of subchapter A of chapter 1 of such Code is
6 amended by inserting after the item relating to sec-
7 tion 48C the following new item:

“Sec. 48D. Qualifying electric power transmission line credit.”.

8 (c) EFFECTIVE DATE.—The amendments made by
9 this section shall apply to property placed in service after
10 December 31, 2019.

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