

**AMENDMENT TO RULES COMMITTEE PRINT 114-
40, SHOWING TEXT OF HOUSE AMENDMENT
#2 TO THE SENATE AMENDMENT TO H.R.
2029**

OFFERED BY MR. RICE OF SOUTH CAROLINA

Page 196, after line 5, insert the following (and amend the table of contents for Division Q accordingly):

1 **SECTION 337. MODIFICATION OF CREDIT FOR PRODUCTION**
2 **FROM ADVANCED NUCLEAR POWER FACILI-**
3 **TIES TO PRIVATE PARTNERS OF TAX-EXEMPT**
4 **ENTITIES.**

5 (a) IN GENERAL.—Section 45J is amended—

6 (1) by redesignating subsection (e) as sub-
7 section (f), and

8 (2) by inserting after subsection (d) the fol-
9 lowing new subsection:

10 “(e) SPECIAL RULE FOR PUBLIC-PRIVATE PARTNER-
11 SHIPS.—

12 “(1) TRANSFER OF CREDIT.—

13 “(A) IN GENERAL.—In the case of an ad-
14 vanced nuclear power facility which is owned by
15 a public private partnership or co-owned by a
16 qualified public entity and a non-public entity,

1 any qualified public entity which is a member of
2 such partnership or a co-owner of such facility
3 may transfer such entity's allocation of the
4 credit under subsection (a), or any portion
5 thereof, to—

6 “(i) any non-public entity which is a
7 member of such partnership or which is a
8 co-owner of such facility,

9 “(ii) any person responsible for de-
10 signing the facility, or

11 “(iii) any person responsible for, or
12 participating in, construction of the facil-
13 ity.

14 Any amount transferred to another person
15 under this paragraph shall be subject to the
16 limitations under subsections (b) and (c) and
17 section 38.

18 “(B) SPECIAL RULE FOR CERTAIN TAX-
19 PAYERS.—Under regulations promulgated by
20 the Secretary, in the case of any person de-
21 scribed in subparagraph (ii) and (iii) of sub-
22 paragraph (A) to whom a credit is trans-
23 ferred—

1 “(i) such person shall be treated as an
2 owner of the advanced nuclear power facil-
3 ity to which the credit relates, and

4 “(ii) such person shall be treated as
5 the producer and seller of so much of the
6 electricity produced and sold at such facil-
7 ity as bears the same ratio to all such elec-
8 tricity produced and sold as the amount of
9 credit transferred under paragraph (1)
10 bears to the total amount of credit allo-
11 cated to the qualified public entity.

12 “(2) QUALIFIED PUBLIC ENTITY.—For pur-
13 poses of this subsection, the term ‘qualified public
14 entity’ means—

15 “(A) a Federal, State, or local government
16 entity, or any political subdivision, agency, or
17 instrumentality thereof,

18 “(B) a mutual or cooperative electric com-
19 pany described in section 501(c)(12) or section
20 1381(a)(2), or

21 “(C) a not-for-profit electric utility which
22 has or had received a loan or loan guarantee
23 under the Rural Electrification Act of 1936.

24 “(3) VERIFICATION OF TRANSFER OF ALLOCA-
25 TION.—A qualified public entity that makes a trans-

1 fer under paragraph (1), and a nonpublic entity that
2 receives an allocation under such a transfer, shall
3 provide verification of such transfer in such manner
4 and at such time as the Secretary shall prescribe.

5 “(4) TREATMENT OF TRANSFER UNDER PRI-
6 VATE USE RULES.—For purposes of section
7 141(b)(1), any benefit derived by a non-public entity
8 in connection with a transfer under paragraph (1)
9 shall not be taken into account as a private business
10 use.”.

11 (b) COORDINATION WITH GENERAL BUSINESS
12 CREDIT.—Subsection (c) of section 38 is amended by add-
13 ing at the end the following new paragraph:

14 “(7) SPECIAL RULE FOR CREDIT FOR PRODUC-
15 TION FROM ADVANCED NUCLEAR POWER FACILI-
16 TIES.—

17 “(A) IN GENERAL.—In the case of the
18 credit for production from advanced nuclear
19 power facilities determined under section
20 45J(a), paragraph (1) shall not apply with re-
21 spect to any qualified public entity (as defined
22 in section 45J(e)(2)) which transfers the enti-
23 ty’s allocation of such credit as provided in sec-
24 tion 45J(e)(1).

1 “(B) VERIFICATION OF TRANSFER.—Sub-
2 paragraph (A) shall not apply to any qualified
3 public entity unless such entity provides
4 verification of a transfer of credit allocation as
5 required under section 45J(e)(3).”.

6 (c) SPECIAL RULE FOR PROCEEDS OF TRANSFERS
7 FOR MUTUAL OR COOPERATIVE ELECTRIC COMPANIES.—
8 Section 501(e)(12) is amended by adding at the end the
9 following new subparagraph:

10 “(I) In the case of a mutual or cooperative
11 electric company described in this paragraph or
12 an organization described in section 1381(a)(2),
13 income received or accrued from a transfer de-
14 scribed in section 45J(e)(1) shall be treated as
15 an amount collected from members for the sole
16 purpose of meeting losses and expenses.”.

17 (d) EFFECTIVE DATE.—

18 (1) IN GENERAL.—The amendments made by
19 subsections (a) and (b) shall apply to electricity pro-
20 duced in taxable years beginning after the date of
21 the enactment of this Act.

22 (2) PROCEEDS OF MUTUAL OR COOPERATIVE
23 ELECTRIC COMPANIES.—The amendment made by

- 1 subsection (c) shall apply to taxable years beginning
- 2 after the date of the enactment of this Act.

