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(Original Signature of Member)

111TH CONGRESS
1ST SESSION

H. R.

To amend the Internal Revenue Code of 1986 to provide additional incentives for facilities producing electricity from wind.

IN THE HOUSE OF REPRESENTATIVES

Mr. WALZ introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Internal Revenue Code of 1986 to provide additional incentives for facilities producing electricity from wind.

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. EXEMPTION FROM PASSIVE ACTIVITY LIMITA-**
4 **TIONS FOR QUALIFIED WIND FACILITIES.**

5 (a) IN GENERAL.—Section 469 of the Internal Rev-
6 enue Code of 1986 (relating to passive activity losses and
7 credits limited) is amended by redesignating subsections
8 (l) and (m) as subsections (m) and (n), respectively, and

1 by inserting after subsection (k) the following new sub-
2 section:

3 “(1) EXCEPTION FOR QUALIFIED WIND FACILI-
4 TIES.—

5 “(1) IN GENERAL.—In the case of any natural
6 person, subsection (a) shall not apply to that portion
7 of the passive activity loss or the deduction equiva-
8 lent (within the meaning of subsection (j)(5)) of the
9 passive activity credit for any taxable year which is
10 attributable to any interest of such person in a facil-
11 ity described in section 45(d)(1) (relating to wind fa-
12 cility).

13 “(2) SPECIAL RULE FOR ESTATES.—In the case
14 of taxable years of an estate ending less than 2
15 years after the date of the death of the decedent,
16 this subsection shall apply to any interest in a facil-
17 ity described in section 45(d)(1) (relating to wind fa-
18 cility) held by the decedent on the date of his
19 death.”.

20 (b) EFFECTIVE DATE.—The amendments made by
21 this section shall apply to losses and credits taken into
22 account in taxable years beginning after the date of the
23 enactment of this Act.

1 **SEC. 2. CREDIT FOR ELECTRICITY PRODUCED FROM**
2 **QUALIFIED WIND FACILITIES ALLOWED**
3 **AGAINST ALTERNATIVE MINIMUM TAX.**

4 (a) **IN GENERAL.**—Subparagraph (B) of section
5 38(c)(4) of the Internal Revenue Code of 1986 (relating
6 to specified credits) is amended—

7 (1) by striking “and” at the end of clause (vii),

8 (2) by inserting “(other than a facility de-
9 scribed in clause (ix))” after “facility” in clause
10 (iii)(I),

11 (3) by striking the period at the end of clause
12 (viii) and inserting “, and”, and

13 (4) by adding at the end the following new
14 clause:

15 “(ix) the credit determined under sec-
16 tion 45 to the extent that such credit is at-
17 tributable to electricity produced at a facil-
18 ity described in section 45(d)(1) (relating
19 to wind facility).”.

20 (b) **EFFECTIVE DATE.**—The amendments made by
21 this section shall apply to taxable years beginning after
22 the date of the enactment of this Act.