

109<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 5856

To amend the Internal Revenue Code of 1986 to allow the allocation of the alternative fuel vehicle refueling property credit to patrons of agricultural cooperatives.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 20, 2006

Ms. DELAURO (for herself, Mr. BOSWELL, Ms. KAPTUR, Mr. SKELTON, Mr. BROWN of Ohio, Mr. GRIJALVA, and Ms. MCCOLLUM of Minnesota) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to allow the allocation of the alternative fuel vehicle refueling property credit to patrons of agricultural cooperatives.

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. ALLOCATION OF ALTERNATIVE FUEL VEHICLE**  
4                               **REFUELING PROPERTY CREDIT TO PATRONS**  
5                               **OF AGRICULTURAL COOPERATIVES.**

6       (a) IN GENERAL.—Subsection (e) of section 30C of  
7 the Internal Revenue Code of 1986 (relating to special

1 rules) is amended by adding at the end the following new  
2 paragraph:

3           “(6) ALLOCATION OF CREDIT TO PATRONS OF  
4           AGRICULTURAL COOPERATIVE.—

5                   “(A) ELECTION TO ALLOCATE.—

6                           “(i) IN GENERAL.—In the case of an  
7                           eligible cooperative organization, any por-  
8                           tion of the credit determined under sub-  
9                           section (a) for the taxable year may, at the  
10                          election of the organization, be apportioned  
11                          among patrons of the organization on the  
12                          basis of the amount of business done by  
13                          the patrons during the taxable year.

14                           “(ii) FORM AND EFFECT OF ELEC-  
15                           TION.—An election under clause (i) for any  
16                           taxable year shall be made on a timely  
17                           filed return for such year. Such election,  
18                           once made, shall be irrevocable for such  
19                           taxable year. Such election shall not take  
20                           effect unless the organization designates  
21                           the apportionment as such in a written no-  
22                           tice mailed to its patrons during the pay-  
23                           ment period described in section 1382(d).

24                           “(B) TREATMENT OF ORGANIZATIONS AND  
25                          PATRONS.—The amount of the credit appor-

1 tioned to any patrons under subparagraph  
2 (A)—

3 “(i) shall not be included in the  
4 amount determined under subsection (a)  
5 with respect to the organization for the  
6 taxable year, and

7 “(ii) shall be included in the amount  
8 determined under subsection (a) for the  
9 first taxable year of each patron ending on  
10 or after the last day of the payment period  
11 (as defined in section 1382(d)) for the tax-  
12 able year of the organization or, if earlier,  
13 for the taxable year of each patron ending  
14 on or after the date on which the patron  
15 receives notice from the cooperative of the  
16 apportionment.

17 “(C) SPECIAL RULES FOR DECREASE IN  
18 CREDITS FOR TAXABLE YEAR.—If the amount  
19 of the credit of a cooperative organization de-  
20 termined under subsection (a) for a taxable  
21 year is less than the amount of such credit  
22 shown on the return of the cooperative organi-  
23 zation for such year, an amount equal to the  
24 excess of—

25 “(i) such reduction, over

1           “(ii) the amount not apportioned to  
2           such patrons under subparagraph (A) for  
3           the taxable year,  
4           shall be treated as an increase in tax imposed  
5           by this chapter on the organization. Such in-  
6           crease shall not be treated as tax imposed by  
7           this chapter for purposes of determining the  
8           amount of any credit under this chapter.

9           “(D) ELIGIBLE COOPERATIVE DEFINED.—  
10          For purposes of this section the term ‘eligible  
11          cooperative’ means a cooperative organization  
12          described in section 1381(a) which is owned  
13          more than 50 percent by agricultural producers  
14          or by entities owned by agricultural producers.  
15          For this purpose an entity owned by an agricul-  
16          tural producer is one that is more than 50 per-  
17          cent owned by agricultural producers.”.

18          (b) CONFORMING AMENDMENT.—The last sentence  
19          of section 55(c)(1) of such Code is amended by inserting  
20          “30C(e)(6),” after “section”.

21          (c) EFFECTIVE DATE.—The amendments made by  
22          this section shall apply to taxable years of cooperative or-  
23          ganizations ending after the date of the enactment of this  
24          Act.

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