

114TH CONGRESS  
1ST SESSION

**S.** \_\_\_\_\_

To amend the Internal Revenue Code of 1986 to extend the publicly traded partnership ownership structure to energy power generation projects and transportation fuels, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

Mr. COONS (for himself, Mr. MORAN, Ms. MURKOWSKI, Ms. STABENOW, Ms. COLLINS, Mr. BENNET, Mr. GARDNER, Mr. KING, \_\_\_\_\_) introduced the following bill; which was read twice and referred to the Committee on \_\_\_\_\_

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**A BILL**

To amend the Internal Revenue Code of 1986 to extend the publicly traded partnership ownership structure to energy power generation projects and transportation fuels, and for other purposes.

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 “Master Limited Part-  
5 nerships Parity Act”.

1 **SEC. 2. EXTENSION OF PUBLICLY TRADED PARTNERSHIP**  
2 **OWNERSHIP STRUCTURE TO ENERGY POWER**  
3 **GENERATION PROJECTS, TRANSPORTATION**  
4 **FUELS, AND RELATED ENERGY ACTIVITIES.**

5 (a) IN GENERAL.—Subparagraph (E) of section  
6 7704(d)(1) of the Internal Revenue Code of 1986 is  
7 amended—

8 (1) by striking “income and gains derived from  
9 the exploration” and inserting “income and gains  
10 derived from the following:

11 “(i) MINERALS, NATURAL RE-  
12 SOURCES, ETC.—The exploration”,

13 (2) by inserting “or” before “industrial  
14 source”,

15 (3) by inserting a period after “carbon diox-  
16 ide”, and

17 (4) by striking “, or the transportation or stor-  
18 age” and all that follows and inserting the following:

19 “(ii) RENEWABLE ENERGY.—The gen-  
20 eration of electric power (including the  
21 leasing of tangible personal property used  
22 for such generation) exclusively utilizing  
23 any resource described in section 45(c)(1)  
24 or energy property described in section 48  
25 (determined without regard to any termi-  
26 nation date), or in the case of a facility de-

1 scribed in paragraph (3) or (7) of section  
2 45(d) (determined without regard to any  
3 placed in service date or date by which  
4 construction of the facility is required to  
5 begin), the accepting or processing of such  
6 resource.

7 “(iii) ELECTRICITY STORAGE DE-  
8 VICES.—The receipt and sale of electric  
9 power that has been stored in a device di-  
10 rectly connected to the grid.

11 “(iv) COMBINED HEAT AND POWER.—  
12 The generation, storage, or distribution of  
13 thermal energy exclusively utilizing prop-  
14 erty described in section 48(c)(3) (deter-  
15 mined without regard to subparagraphs  
16 (B) and (D) thereof and without regard to  
17 any placed in service date).

18 “(v) RENEWABLE THERMAL EN-  
19 ERGY.—The generation, storage, or dis-  
20 tribution of thermal energy exclusively  
21 using any resource described in section  
22 45(c)(1) or energy property described in  
23 clause (i) or (iii) of section 48(a)(3)(A).

24 “(vi) WASTE HEAT TO POWER.—The  
25 use of recoverable waste energy, as defined

1 in section 371(5) of the Energy Policy and  
2 Conservation Act (42 U.S.C. 6341(5)) (as  
3 in effect on the date of the enactment of  
4 the Master Limited Partnerships Parity  
5 Act).

6 “(vii) RENEWABLE FUEL INFRA-  
7 STRUCTURE.—The storage or transpor-  
8 tation of any fuel described in subsection  
9 (b), (c), (d), or (e) of section 6426.

10 “(viii) RENEWABLE FUELS.—The pro-  
11 duction, storage, or transportation of any  
12 renewable fuel described in section  
13 211(o)(1)(J) of the Clean Air Act (42  
14 U.S.C. 7545(o)(1)(J)) (as in effect on the  
15 date of the enactment of the Master Lim-  
16 ited Partnerships Parity Act) or section  
17 40A(d)(1).

18 “(ix) RENEWABLE CHEMICALS.—The  
19 production, storage, or transportation of  
20 any qualifying renewable chemical (as de-  
21 fined in paragraph (6)).

22 “(x) ENERGY EFFICIENT BUILD-  
23 INGS.—The audit and installation through  
24 contract or other agreement of any energy

1 efficient building property described in sec-  
2 tion 179D(c)(1).

3 “(xi) GASIFICATION WITH SEQUES-  
4 TRATION.—The production of any product  
5 or the generation of electric power from a  
6 project that meets the requirements of sub-  
7 paragraphs (A) and (B) of section  
8 48B(c)(1) and that separates and seques-  
9 ters in secure geological storage (as deter-  
10 mined under section 45Q(d)(2)) at least 75  
11 percent of such project’s total qualified  
12 carbon dioxide (as defined in section  
13 45Q(b)).

14 “(xii) CARBON CAPTURE AND SEQUES-  
15 TRATION.—

16 “(I) POWER GENERATION FACILI-  
17 TIES.—The generation or storage of  
18 electric power (including associated  
19 income from the sale or marketing of  
20 energy, capacity, resource adequacy,  
21 and ancillary services) produced from  
22 any power generation facility which is,  
23 or from any power generation unit  
24 within, a qualified facility described in  
25 section 45Q(c) which—

1           “(aa) in the case of a power  
2           generation facility or power gen-  
3           eration unit placed in service  
4           after January 8, 2013, captures  
5           50 percent or more of the quali-  
6           fied carbon dioxide (as defined in  
7           section 45Q(b)) of such facility  
8           and disposes of such captured  
9           qualified carbon dioxide in secure  
10          geological storage (as determined  
11          under section 45Q(d)(2)), and

12          “(bb) in the case of a power  
13          generation facility or power gen-  
14          eration unit placed in service be-  
15          fore January 9, 2013, captures  
16          30 percent or more of the quali-  
17          fied carbon dioxide (as defined in  
18          section 45Q(b)) of such facility  
19          and disposes of such captured  
20          qualified carbon dioxide in secure  
21          geological storage (as determined  
22          under section 45Q(d)(2)).

23          “(II) OTHER FACILITIES.—The  
24          sale of any good or service from any  
25          facility (other than a power generation

1 facility) which is a qualified facility  
2 described in section 45Q(c) and the  
3 captured qualified carbon dioxide (as  
4 so defined) of which is disposed of in  
5 secure geological storage (as deter-  
6 mined under section 45Q(d)(2)).”.

7 (b) RENEWABLE CHEMICAL.—

8 (1) IN GENERAL.—Section 7704(d) of such  
9 Code is amended by adding at the end the following  
10 new paragraph:

11 “(6) QUALIFYING RENEWABLE CHEMICAL.—

12 “(A) IN GENERAL.—The term ‘qualifying  
13 renewable chemical’ means any renewable chem-  
14 ical (as defined in section 9001 of the Agri-  
15 culture Act of 2014)—

16 “(i) which is produced by the taxpayer  
17 in the United States or in a territory or  
18 possession of the United States,

19 “(ii) which is the product of, or reli-  
20 ant upon, biological conversion, thermal  
21 conversion, or a combination of biological  
22 and thermal conversion, of renewable bio-  
23 mass (as defined in section 9001(12) of  
24 the Farm Security and Rural Investment  
25 Act of 2002),

1 “(iii) the biobased content of which is  
2 95 percent or higher,

3 “(iv) which is sold or used by the tax-  
4 payer—

5 “(I) for the production of chem-  
6 ical products, polymers, plastics, or  
7 formulated products, or

8 “(II) as chemicals, polymers,  
9 plastics, or formulated products,

10 “(v) which is not sold or used for the  
11 production of any food, feed, or fuel, and

12 “(vi) which is—

13 “(I) acetic acid, acrylic acid, acyl  
14 glutamate, adipic acid, algae oils,  
15 algae sugars, aromatics, 1,4-  
16 butanediol, iso-butanol, n-butanol,  
17 carboxylic acids, cellulosic sugar,  
18 diethyl methylene malonate, ethyl ace-  
19 tate, farnesene, gamma-butyrolactone,  
20 glucaric acid, hexamethylenediamine,  
21 3-hydroxy propionic acid, C10 hydro-  
22 carbons, isoprene, itaconic acid,  
23 ketals, levulinic acid, olefins,  
24 polyhydroxyalkonate, polylactic acid,  
25 polyitaconic acid, polyols from vege-



1 table oils, poly(xylitan levulinate  
2 ketal), 1,3-propanediol, 1,2-  
3 propanediol, succinic acid, terpenes,  
4 thiols, or *p*-Xylene, or

5 “(II) any chemical not described  
6 in clause (i) which is a chemical listed  
7 by the Secretary for purposes of this  
8 paragraph.

9 “(B) BIOBASED CONTENT.—For purposes  
10 of subparagraph (A)(iii), the term ‘biobased  
11 content percentage’ means, with respect to any  
12 renewable chemical, the biobased content of  
13 such chemical (expressed as a percentage) de-  
14 termined by testing representative samples  
15 using the American Society for Testing and  
16 Materials (ASTM) D6866.”.

17 (2) LIST OF OTHER QUALIFYING RENEWABLE  
18 CHEMICALS.—Not later than 180 days after the date  
19 of the enactment of this Act, the Secretary of the  
20 Treasury (or the Secretary’s delegate), in consulta-  
21 tion with the Secretary of Agriculture, shall establish  
22 a program to consider applications from taxpayers  
23 for the listing of chemicals under section  
24 7874(d)(6)(A)(vi)(II) (as added by paragraph (1)).

1       (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall take effect on the date of the enactment  
3 of this Act, in taxable years ending after such date.