

[DISCUSSION DRAFT]

NOVEMBER 19, 2019

116TH CONGRESS
1ST SESSION**H. R.** _____

To amend the Internal Revenue Code of 1986 to promote green energy,
and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. THOMPSON of California introduced the following bill; which was referred
to the Committee on _____

A BILL

To amend the Internal Revenue Code of 1986 to promote
green energy, 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; ETC.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Growing Renewable Energy and Efficiency Now Act of
6 2019” or the “GREEN Act of 2019”.

7 (b) AMENDMENT OF 1986 CODE.—Except as other-
8 wise expressly provided, whenever in this Act an amend-

1 ment or repeal is expressed in terms of an amendment
2 to, or repeal of, a section or other provision, the reference
3 shall be considered to be made to a section or other provi-
4 sion of the Internal Revenue Code of 1986.

5 (c) TABLE OF CONTENTS.—The table of contents for
6 this Act is as follows:

Sec. 1. Short title; etc.

TITLE I—RENEWABLE ELECTRICITY AND REDUCING CARBON EMISSIONS

Sec. 101. Extension of credit for electricity produced from certain renewable resources.

Sec. 102. Extension and modification of energy credit.

Sec. 103. Extension of credit for carbon oxide sequestration.

Sec. 104. Elective payment for energy property and electricity produced from certain renewable resources, etc.

Sec. 105. Extension of energy credit for offshore wind facilities.

Sec. 106. Green energy publicly traded partnerships.

TITLE II—RENEWABLE FUELS

Sec. 201. Biodiesel and renewable diesel.

Sec. 202. Extension of excise tax credits relating to alternative fuels.

Sec. 203. Extension of second generation biofuel incentives.

TITLE III—GREEN ENERGY AND EFFICIENCY INCENTIVES FOR INDIVIDUALS

Sec. 301. Extension, increase, and modifications of nonbusiness energy property credit.

Sec. 302. Residential energy efficient property.

Sec. 303. Energy efficient commercial buildings deduction.

Sec. 304. Extension, increase, and modifications of new energy efficient home credit.

Sec. 305. Modifications to income exclusion for conservation subsidies.

TITLE IV—GREENING THE FLEET AND ALTERNATIVE VEHICLES

Sec. 401. Modification of limitations on new qualified plug-in electric drive motor vehicle credit.

Sec. 402. Credit for previously-owned qualified plug-in electric drive motor vehicles.

Sec. 403. Credit for zero-emission heavy vehicles and zero-emission buses.

Sec. 404. Qualified fuel cell motor vehicles.

Sec. 405. Alternative fuel refueling property credit.

TITLE V—INVESTMENT IN THE GREEN WORKFORCE

Sec. 501. Extension of the advanced energy project credit.

Sec. 502. Labor costs of installing mechanical insulation property.

TITLE VI—ENVIRONMENTAL JUSTICE

Sec. 601. Qualified environmental justice program credit.

TITLE VII—TREASURY REPORT ON DATA FROM THE
GREENHOUSE GAS REPORTING PROGRAM

Sec. 701. Report on Greenhouse Gas Reporting Program.

TITLE VIII—[REVENUE PROVISIONS TO BE PROVIDED]

1 **TITLE I—RENEWABLE ELEC-**
2 **TRICITY AND REDUCING CAR-**
3 **BON EMISSIONS**

4 **SEC. 101. EXTENSION OF CREDIT FOR ELECTRICITY PRO-**
5 **DUCTION FROM CERTAIN RENEWABLE RE-**
6 **SOURCES.**

7 (a) EXTENSION.—

8 (1) IN GENERAL.—The following provisions of
9 section 45(d) are each amended by striking “Janu-
10 ary 1, 2018” each place it appears and inserting
11 “January 1, 2025”:

12 (A) Paragraph (2)(A).

13 (B) Paragraph (3)(A).

14 (C) Paragraph (6).

15 (D) Paragraph (7).

16 (E) Paragraph (9).

17 (F) Paragraph (11)(B).

18 (2) GEOTHERMAL.—Section 45(d)(4)(B) is
19 amended by striking “January 1, 2018” and insert-
20 ing “January 1, 2020”.

1 (b) EXTENSION OF ELECTION TO TREAT QUALIFIED
2 FACILITIES AS ENERGY PROPERTY.—Section
3 48(a)(5)(C)(ii) is amended by striking “January 1, 2018
4 (January 1, 2020, in the case of any facility which is de-
5 scribed in paragraph (1) of section 45(d))” and inserting
6 “January 1, 2025”.

7 (c) APPLICATION OF EXTENSION TO WIND FACILI-
8 TIES.—

9 (1) IN GENERAL.—Section 45(d)(1) is amended
10 by striking “January 1, 2020” and inserting “Janu-
11 ary 1, 2025”.

12 (2) REDUCED PHASEOUT PERCENTAGE.—

13 (A) RENEWABLE ELECTRICITY PRODUC-
14 TION CREDIT.—Sections 45(b)(5) is amended
15 by striking “and” at the end of subparagraph
16 (B), by striking the period at the end of sub-
17 paragraph (C) and inserting “, and”, and by
18 adding at the end the following new subpara-
19 graph:

20 “(D) in the case of any facility the con-
21 struction of which begins after December 31,
22 2019, and before January 1, 2025, 40 per-
23 cent.”.

24 (B) ENERGY CREDIT.—Section
25 48(a)(5)(E) is amended by striking “and” at

1 the end of clause (ii), by striking the period at
2 the end of clause (iii) and inserting “, and”,
3 and by adding at the end the following new
4 clause:

5 “(iv) in the case of any facility the
6 construction of which begins after Decem-
7 ber 31, 2019, and before January 1, 2025,
8 40 percent.”.

9 (d) EFFECTIVE DATE.—

10 (1) IN GENERAL.—Except as otherwise pro-
11 vided in this subsection, the amendments made by
12 this section shall apply to facilities the construction
13 of which begins after December 31, 2017.

14 (2) WIND FACILITIES.—The amendments made
15 by subsection (c) shall apply to facilities the con-
16 struction of which begins after December 31, 2019.

17 **SEC. 102. EXTENSION AND MODIFICATION OF ENERGY**
18 **CREDIT.**

19 (a) EXTENSION OF CREDIT.—The following provi-
20 sions of section 48 are each amended by striking “January
21 1, 2022” each place it appears and inserting “January
22 1, 2027”:

23 (1) Subsection (a)(3)(A)(ii).

24 (2) Subsection (a)(3)(A)(vii).

25 (3) Subsection (c)(1)(D).

1 (4) Subsection (c)(2)(D).

2 (5) Subsection (c)(3)(A)(iv).

3 (6) Subsection (c)(4)(C).

4 (b) PHASEOUT OF CREDIT.—Section 48(a) is amend-
5 ed—

6 (1) by striking “December 31, 2019” in para-
7 graphs (6)(A)(i) and (7)(A)(i) and inserting “De-
8 cember 31, 2024”,

9 (2) by striking “December 31, 2020” in para-
10 graphs (6)(A)(ii) and (7)(A)(ii) and inserting “De-
11 cember 31, 2025”,

12 (3) by striking “January 1, 2021” in para-
13 graphs (6)(A)(i) and (7)(A)(i) and inserting “Janu-
14 ary 1, 2026”,

15 (4) by striking “January 1, 2022” each place
16 it appears in paragraphs (6)(A), (6)(B), and (7)(A)
17 and inserting “January 1, 2027”, and

18 (5) by striking “January 1, 2024” in para-
19 graphs (6)(B) and (7)(B) and inserting “January 1,
20 2029”.

21 (c) 30 PERCENT CREDIT FOR SOLAR AND GEO-
22 THERMAL.—

23 (1) EXTENSION FOR SOLAR.—Section
24 48(a)(2)(A)(i)(II) is amended by striking “January
25 1, 2022” and inserting “January 1, 2027”.

1 (2) APPLICATION TO GEOTHERMAL.—

2 (A) IN GENERAL.—Paragraphs
3 (2)(A)(i)(II), (6)(A), and (6)(B) of section
4 48(a) are each amended by striking “paragraph
5 (3)(A)(i)” and inserting “clause (i) or (iii) of
6 paragraph (3)(A)”.

7 (B) CONFORMING AMENDMENT.—The
8 heading of section 48(a)(6) is amended by in-
9 serting “AND GEOTHERMAL” after “SOLAR EN-
10 ERGY”.

11 (d) ENERGY STORAGE TECHNOLOGIES; WASTE EN-
12 ERGY RECOVERY PROPERTY; QUALIFIED BIOGAS PROP-
13 erty.—

14 (1) IN GENERAL.—Section 48(a)(3)(A) is
15 amended by striking “or” at the end of clause (vi),
16 and by adding at the end the following new clauses:

17 “(viii) energy storage technology,

18 “(ix) waste energy recovery property,

19 or

20 “(x) qualified biogas property,”.

21 (2) APPLICATION OF 30 PERCENT CREDIT.—
22 Section 48(a)(2)(A)(i) is amended by striking “and”
23 at the end of subclauses (III) and (IV) and adding
24 at the end the following new subclauses:

25 “(V) energy storage technology,

1 “(VI) waste energy recovery
2 property, and

3 “(VII) qualified biogas property,
4 and”.

5 (3) APPLICATION OF PHASEOUT.—Section
6 48(a)(7) is amended—

7 (A) by inserting “energy storage tech-
8 nology, waste energy recovery property, quali-
9 fied biogas property,” after “qualified small
10 wind property,” and

11 (B) by striking “FIBER-OPTIC SOLAR,
12 QUALIFIED FUEL CELL, AND QUALIFIED SMALL
13 WIND” in the heading thereof and inserting
14 “CERTAIN OTHER”.

15 (4) DEFINITIONS.—Section 48(c) is amended
16 by adding at the end the following new paragraphs:

17 “(5) ENERGY STORAGE TECHNOLOGY.—

18 “(A) IN GENERAL.—The term ‘energy
19 storage technology’ means equipment which —

20 “(i) uses batteries, compressed air,
21 pumped hydropower, hydrogen storage (in-
22 cluding hydrolysis), thermal energy stor-
23 age, regenerative fuel cells, flywheels, ca-
24 pacitors, superconducting magnets, or
25 other technologies identified by the Sec-

1 retary, after consultation with the Sec-
2 retary of Energy, to store energy for con-
3 version to electricity and has a capacity of
4 not less than 20 kilowatt hours, or

5 “(ii) stores thermal energy to heat or
6 cool (or provide hot water for use in) a
7 structure (other than for use in a swim-
8 ming pool).

9 “(B) TERMINATION.—The term ‘energy
10 storage technology’ shall not include any prop-
11 erty the construction of which does not begin
12 before January 1, 2027.

13 “(6) WASTE ENERGY RECOVERY PROPERTY.—

14 “(A) IN GENERAL.—The term ‘waste en-
15 ergy recovery property’ means property that
16 generates electricity solely from heat from
17 buildings or equipment if the primary purpose
18 of such building or equipment is not the genera-
19 tion of electricity.

20 “(B) CAPACITY LIMITATION.—The term
21 ‘waste energy recovery property’ shall not in-
22 clude any property which has a capacity in ex-
23 cess of 50 megawatts.

24 “(C) NO DOUBLE BENEFIT.—Any waste
25 energy recovery property (determined without

1 regard to this subparagraph) which is part of a
2 system which is a combined heat and power sys-
3 tem property shall not be treated as waste en-
4 ergy recovery property for purposes of this sec-
5 tion unless the taxpayer elects to not treat such
6 system as a combined heat and power system
7 property for purposes of this section.

8 “(D) TERMINATION.—The term ‘waste en-
9 ergy recovery property’ shall not include any
10 property the construction of which does not
11 begin before January 1, 2027.

12 “(7) QUALIFIED BIOGAS PROPERTY.—

13 “(A) IN GENERAL.—The term ‘qualified
14 biogas property’ means property comprising a
15 system which—

16 “(i) converts biomass (as defined in
17 section 45K(c)(3)) into a gas which—

18 “(I) consists of not less than 52
19 percent methane, or

20 “(II) is concentrated by such sys-
21 tem into a gas which consists of not
22 less than 52 percent methane, and

23 “(ii) captures such gas for productive
24 use.

1 “(B) INCLUSION OF CLEANING AND CON-
2 DITIONING PROPERTY.—The term ‘qualified
3 biogas property’ includes any property which is
4 part of such system which cleans or conditions
5 such gas.

6 “(C) TERMINATION.—The term ‘qualified
7 biogas property’ shall not include any property
8 the construction of which does not begin before
9 January 1, 2027.”.

10 (5) DENIAL OF DOUBLE BENEFIT FOR QUALI-
11 FIED BIOGAS PROPERTY.—Section 45(e) is amended
12 by adding at the end the following new paragraph:

13 “(12) COORDINATION WITH ENERGY CREDIT
14 FOR QUALIFIED BIOGAS PROPERTY.—The term
15 ‘qualified facility’ shall not include any facility which
16 produces electricity from gas produced by qualified
17 biogas property (as defined in section 48(c)(7)) if a
18 credit is determined under section 48 with respect to
19 such property for the taxable year or any prior tax-
20 able year”.

21 (e) FUEL CELLS USING ELECTROMECHANICAL
22 PROCESSES.—

23 (1) IN GENERAL.—Section 48(e)(1) is amend-
24 ed—

25 (A) in subparagraph (A)(i)—

1 (i) by inserting “or electromechanical”
2 after “electrochemical”, and

3 (ii) by inserting “(200 kilowatts in the
4 case of a fuel cell power plant with a linear
5 generator assembly)” after “0.5 kilowatt”,
6 and

7 (B) in subparagraph (C)—

8 (i) by inserting “, or linear generator
9 assembly,” after “a fuel cell stack assem-
10 bly”, and

11 (ii) by inserting “or
12 electromechanical” after “electrochemical”.

13 (2) LINEAR GENERATOR ASSEMBLY LIMITA-
14 TION.—Section 48(e)(1) is amended by redesign-
15 ating subparagraph (D) as subparagraph (E) and
16 by inserting after subparagraph (C) the following
17 new subparagraph:

18 “(D) LINEAR GENERATOR ASSEMBLY.—
19 The term ‘linear generator assembly’ does not
20 include any assembly which contains rotating
21 parts.”.

22 (f) EFFECTIVE DATE.—

23 (1) IN GENERAL.—Except as otherwise pro-
24 vided in this subsection, the amendments made by

1 this section shall take effect on the date of the en-
2 actment of this Act.

3 (2) NEW CATEGORIES.—The amendments made
4 by subsections (c)(2), (d), and (e) shall apply to pe-
5 riods after December 31, 2019, under rules similar
6 to the rules of section 48(m) as in effect on the day
7 before the date of the enactment of the Revenue
8 Reconciliation Act of 1990.

9 **SEC. 103. EXTENSION OF CREDIT FOR CARBON OXIDE SE-**
10 **QUESTRATION.**

11 (a) IN GENERAL.—Section 45Q(d)(1) is amended by
12 striking “January 1, 2024” and inserting “January 1,
13 2025”.

14 (b) EFFECTIVE DATE.—The amendment made by
15 this section applies to facilities the construction of which
16 begins after December 31, 2023.

17 **SEC. 104. ELECTIVE PAYMENT FOR ENERGY PROPERTY**
18 **AND ELECTRICITY PRODUCED FROM CER-**
19 **TAIN RENEWABLE RESOURCES, ETC.**

20 (a) IN GENERAL.—Subchapter B of chapter 65 is
21 amended by adding at the end the following new section:

1 **“SEC. 6431. ELECTIVE PAYMENT FOR ENERGY PROPERTY**
2 **AND ELECTRICITY PRODUCED FROM CER-**
3 **TAIN RENEWABLE RESOURCES, ETC.**

4 “(a) **ENERGY PROPERTY.**—In the case of a taxpayer
5 making an election (at such time and in such manner as
6 the Secretary may provide) under this section with respect
7 to any portion of an energy credit which would (without
8 regard to this section) be determined under section 48
9 with respect to such taxpayer or any portion of a renew-
10 able electricity production credit which would (without re-
11 gard to this section) be determined under section 45 with
12 respect to such taxpayer, such taxpayer shall be treated
13 as making a payment against the tax imposed by subtitle
14 A for the taxable year equal to—

15 “(1) in the case of an Indian tribal government
16 (within the meaning of such term for purposes of
17 section 139E), the amount of such portion, and

18 “(2) in the case of any other taxpayer, 85 per-
19 cent of such amount.

20 “(b) **TIMING.**—The payment described in subsection
21 (a) shall be treated as made on the later of the due date
22 of the return of tax for such taxable year or the date on
23 which such return is filed.

24 “(c) **EXCLUSION FROM GROSS INCOME.**—Gross in-
25 come of the taxpayer shall be determined without regard
26 to this section.

1 “(d) DENIAL OF DOUBLE BENEFIT.—Solely for pur-
2 poses of section 38, in the case of a taxpayer making an
3 election under this section, the energy credit determined
4 under section 45 or the renewable electricity production
5 credit determined under section 48 shall be reduced by
6 the amount of the portion of such credit with respect to
7 which the taxpayer makes such election.”.

8 (b) CLERICAL AMENDMENT.—The table of sections
9 for subchapter B of chapter 65 is amended by adding at
10 the end the following new item:

“Sec. 6431. Elective payment for energy property and electricity produced from
certain renewable resources, etc.”.

11 (c) EFFECTIVE DATE.—The amendments made by
12 this section shall apply to property originally placed in
13 service after the date of the enactment of this Act.

14 **SEC. 105. EXTENSION OF ENERGY CREDIT FOR OFFSHORE**
15 **WIND FACILITIES.**

16 (a) IN GENERAL.—Section 48(a)(5) is amended by
17 adding at the end the following new subparagraph:

18 “(F) QUALIFIED OFFSHORE WIND FACILI-
19 TIES.—

20 “(i) IN GENERAL.—In the case of any
21 qualified offshore wind facility—

22 “(I) subparagraph (C)(ii) shall be
23 applied by substituting ‘January 1 of
24 the applicable year (as determined

1 under subparagraph (F)(ii)’ for ‘Jan-
2 uary 1, 2025’,

3 “(II) subparagraph (E) shall not
4 apply, and

5 “(III) for purposes of this para-
6 graph, section 45(d)(1) shall be ap-
7 plied by substituting ‘January 1 of
8 the applicable year (as determined
9 under section 48(a)(5)(F)(ii))’ for
10 ‘January 1, 2025’.

11 “(ii) APPLICABLE YEAR.—For pur-
12 poses of this subparagraph, the term ‘ap-
13 plicable year’ means the later of—

14 “(I) calendar year 2025, or

15 “(II) the calendar year subse-
16 quent to the first calendar year in
17 which the Secretary, after consulta-
18 tion with the Secretary of Energy, de-
19 termines that the United States has
20 increased its offshore wind capacity by
21 not less than 3,000 megawatts as
22 compared to such capacity on January
23 1, 2020.

24 For purposes of subclause (II), the Sec-
25 retary shall not include any increase in off-

1 shore wind capacity which is attributable
2 to any facility the construction of which
3 began before January 1, 2020.

4 “(iii) QUALIFIED OFFSHORE WIND FA-
5 CILITY.—For purposes of this subpara-
6 graph, the term ‘qualified offshore wind fa-
7 cility’ means a qualified facility (within the
8 meaning of section 45) described in para-
9 graph (1) of section 45(d) (determined
10 without regard to any date by which the
11 construction of the facility is required to
12 begin) which is located in the inland navi-
13 gable waters of the United States or in the
14 coastal waters of the United States.

15 “(iv) REPORT ON OFFSHORE WIND
16 CAPACITY.—On January 15, 2024, and an-
17 nually thereafter until the calendar year
18 described in clause (ii)(II), the Secretary,
19 after consultation with the Secretary of
20 Energy, shall issue a report to be made
21 available to the public which discloses the
22 increase in the offshore wind capacity of
23 the United States, as measured in total
24 megawatts, since January 1, 2020.”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section shall apply to periods after December 31,
3 2019, under rules similar to the rules of section 48(m)
4 of the Internal Revenue Code of 1986 (as in effect on the
5 day before the date of the enactment of the Revenue Rec-
6 onciliation Act of 1990).

7 **SEC. 106. GREEN ENERGY PUBLICLY TRADED PARTNER-**
8 **SHIPS.**

9 (a) IN GENERAL.—Section 7704(d)(1)(E) is amend-
10 ed—

11 (1) by striking “income and gains derived from
12 the exploration” and inserting “income and gains
13 derived from—

14 “(i) the exploration”,

15 (2) by inserting “or” before “industrial
16 source”,

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

19 “(ii) the generation of electric power
20 or thermal energy exclusively using any
21 qualified energy resource (as defined in
22 section 45(c)(1)),

23 “(iii) the operation of energy property
24 (as defined in section 48(a)(3), determined
25 without regard to any date by which the

1 construction of the facility is required to
2 begin),

3 “(iv) in the case of a facility described
4 in paragraph (3) or (7) of section 45(d)
5 (determined without regard to any placed
6 in service date or date by which construc-
7 tion of the facility is required to begin),
8 the accepting or processing of open-loop
9 biomass or municipal solid waste,

10 “(v) the storage of electric power or
11 thermal energy exclusively using energy
12 property that is energy storage property
13 (as defined in section 48(c)(5)),

14 “(vi) the generation, storage, or dis-
15 tribution of electric power or thermal en-
16 ergy exclusively using energy property that
17 is combined heat and power system prop-
18 erty (as defined in section 48(c)(3), deter-
19 mined without regard to subparagraph
20 (B)(iii) thereof and without regard to any
21 date by which the construction of the facil-
22 ity is required to begin),

23 “(vii) the transportation or storage of
24 any fuel described in subsection (b), (c),
25 (d), or (e) of section 6426,

1 “(viii) the conversion of renewable bio-
2 mass (as defined in subparagraph (I) of
3 section 211(o)(1) of the Clean Air Act (as
4 in effect on the date of the enactment of
5 this clause)) into renewable fuel (as de-
6 fined in subparagraph (J) of such section
7 as so in effect), or the storage or transpor-
8 tation of such fuel,

9 “(ix) the production, storage, or
10 transportation of any fuel which—

11 “(I) uses as its primary feedstock
12 carbon oxides captured from an an-
13 thropogenic source or the atmosphere,

14 “(II) does not use as its primary
15 feedstock carbon oxide which is delib-
16 erately released from naturally occur-
17 ring subsurface springs, and

18 “(III) is determined by the Sec-
19 retary, after consultation with the
20 Secretary of Energy and the Adminis-
21 trator of the Environmental Protec-
22 tion Agency, to achieve a reduction of
23 not less than a 60 percent in lifecycle
24 greenhouse gas emissions (as defined
25 in section 211(o)(1)(H) of the Clean

1 Air Act, as in effect on the date of the
2 enactment of this clause) compared to
3 baseline lifecycle greenhouse gas emis-
4 sions (as defined in section
5 211(o)(1)(C) of such Act, as so in ef-
6 fect),

7 “(x) the generation of electric power
8 from, a qualifying gasification project (as
9 defined in section 48B(c)(1) without re-
10 gard to subparagraph (C)) that is de-
11 scribed in section 48(d)(1)(B), or

12 “(xi) in the case of a qualified facility
13 (as defined in section 45Q(d), without re-
14 gard to any date by which construction of
15 the facility is required to begin) not less
16 than 50 percent (30 percent in the case of
17 a facility placed in service before January
18 1, 2020) of the total carbon oxide produc-
19 tion of which is qualified carbon oxide (as
20 defined in section 45Q(c))——

21 “(I) the generation, availability
22 for such generation, or storage of elec-
23 tric power at such facility, or

24 “(II) the capture of carbon diox-
25 ide by such facility,”.

1 (b) EFFECTIVE DATE.—The amendments made by
2 this section apply to taxable years beginning after Decem-
3 ber 31, 2019.

4 **TITLE II—RENEWABLE FUELS**

5 **SEC. 201. BIODIESEL AND RENEWABLE DIESEL.**

6 (a) INCOME TAX CREDIT.—Section 40A(g) is amend-
7 ed to read as follows:

8 “(g) PHASE OUT; TERMINATION.—

9 “(1) PHASE OUT.—In the case of any sale or
10 use after December 31, 2021, subsections (b)(1)(A)
11 and (b)(2)(A) shall be applied by substituting for
12 ‘\$1.00’—

13 “(A) ‘\$.75’, if such sale or use is before
14 January 1, 2023,

15 “(B) ‘\$.50’, if such sale or use is after De-
16 cember 31, 2022, and before January 1, 2024,
17 and

18 “(C) ‘\$.33’, if such sale or use is after De-
19 cember 31, 2023, and before January 1, 2025.

20 “(2) TERMINATION.—This section shall not
21 apply to any sale or use after December 31, 2024.”.

22 (b) EXCISE TAX INCENTIVES.—

23 (1) PHASE OUT.—Section 6426(c)(2) is amend-
24 ed to read as follows:

1 “(2) APPLICABLE AMOUNT.—For purposes of
2 this subsection, the applicable amount is—

3 “(A) \$1.00 in the case of any sale or use
4 for any period before January 1, 2022,

5 “(B) \$.75 in the case of any sale or use for
6 any period after December 31, 2021, and before
7 January 1, 2023,

8 “(C) \$.50 in the case of any sale or use for
9 any period after December 31, 2022, and before
10 January 1, 2024, and

11 “(D) \$.33 in the case of any sale or use
12 for any period after December 31, 2023, and
13 before January 1, 2025.”.

14 (2) TERMINATION.—

15 (A) IN GENERAL.—Section 6426(e)(6) is
16 amended by striking “December 31, 2017” and
17 inserting “December 31, 2024”.

18 (B) PAYMENTS.—Section 6427(e)(6)(B) is
19 amended by striking “December 31, 2017” and
20 inserting “December 31, 2024”.

21 (3) SPECIAL RULE.—Notwithstanding any other
22 provision of law, in the case of any biodiesel mixture
23 credit properly determined under section 6426(e) of
24 the Internal Revenue Code of 1986 for the period
25 beginning on January 1, 2018 and ending with the

1 close of the last calendar quarter beginning before
2 the date of the enactment of this Act, such credit
3 shall be allowed, and any refund or payment attrib-
4 utable to such credit (including any payment under
5 section 6427(e) of such Code) shall be made, only in
6 such manner as the Secretary of the Treasury (or
7 the Secretary's delegate) shall provide. Such Sec-
8 retary shall issue guidance within 30 days after the
9 date of the enactment of this Act providing for a
10 one-time submission of claims covering periods de-
11 scribed in the preceding sentence. Such guidance
12 shall provide for a 180-day period for the submission
13 of such claims (in such manner as prescribed by
14 such Secretary) to begin not later than 30 days after
15 such guidance is issued. Such claims shall be paid
16 by such Secretary not later than 60 days after re-
17 ceipt. If such Secretary has not paid pursuant to a
18 claim filed under this subsection within 60 days
19 after the date of the filing of such claim, the claim
20 shall be paid with interest from such date deter-
21 mined by using the overpayment rate and method
22 under section 6621 of such Code.

23 (c) EFFECTIVE DATE.—The amendments made by
24 this section shall apply to fuel sold or used after December
25 31, 2017.

1 **SEC. 202. EXTENSION OF EXCISE TAX CREDITS RELATING**
2 **TO ALTERNATIVE FUELS.**

3 (a) IN GENERAL.—

4 (1) EXTENSION AND PHASEOUT OF ALTER-
5 NATIVE FUEL CREDIT.—

6 (A) IN GENERAL.—Section 6426(d)(1) is
7 amended by striking “50 cents” and inserting
8 “the applicable amount”.

9 (B) APPLICABLE AMOUNT AND TERMI-
10 NATION.—Section 6426(d)(5) is amended to
11 read as follows:

12 “(5) PHASEOUT AND TERMINATION.—

13 “(A) PHASEOUT.—For purposes of this
14 subsection, the applicable amount is—

15 “(i) 50 cents in the case of any sale
16 or use for any period before January 1,
17 2022,

18 “(ii) 38 cents in the case of any sale
19 or use for any period after December 31,
20 2021, and before January 1, 2023,

21 “(iii) 25 cents in the case of any sale
22 or use for any period after December 31,
23 2022, and before January 1, 2024, and

24 “(iv) 17 cents in the case of any sale
25 or use for any period after December 31,
26 2023, and before January 1, 2025.

1 “(B) TERMINATION.—This subsection
2 shall not apply to any sale or use for any period
3 after December 31, 2024.”.

4 (2) ALTERNATIVE FUEL MIXTURE CREDIT.—

5 (A) IN GENERAL.—Section 6426(e)(3) is
6 amended by striking “December 31, 2017” and
7 inserting “December 31, 2024”.

8 (B) PHASEOUT.—Section 6426(e)(1) is
9 amended by striking “50 cents” and inserting
10 “the applicable amount (as defined in sub-
11 section (d)(5)(A))”.

12 (3) PAYMENTS FOR ALTERNATIVE FUELS.—
13 Section 6427(e)(6)(C) is amended by striking “De-
14 cember 31, 2017” and inserting “December 31,
15 2024”.

16 (4) SPECIAL RULE.—Notwithstanding any other
17 provision of law, in the case of any alternative fuel
18 credit properly determined under section 6426(d) of
19 the Internal Revenue Code of 1986 for the period
20 beginning on January 1, 2018, and ending with the
21 close of the last calendar quarter beginning before
22 the date of the enactment of this Act, such credit
23 shall be allowed, and any refund or payment attrib-
24 utable to such credit (including any payment under
25 section 6427(e) of such Code) shall be made, only in

1 such manner as the Secretary of the Treasury (or
2 the Secretary's delegate) shall provide. Such Sec-
3 retary shall issue guidance within 30 days after the
4 date of the enactment of this Act providing for a
5 one-time submission of claims covering periods de-
6 scribed in the preceding sentence. Such guidance
7 shall provide for a 180-day period for the submission
8 of such claims (in such manner as prescribed by
9 such Secretary) to begin not later than 30 days after
10 such guidance is issued. Such claims shall be paid
11 by such Secretary not later than 60 days after re-
12 ceipt. If such Secretary has not paid pursuant to a
13 claim filed under this subsection within 60 days
14 after the date of the filing of such claim, the claim
15 shall be paid with interest from such date deter-
16 mined by using the overpayment rate and method
17 under section 6621 of such Code.

18 (5) EFFECTIVE DATE.—The amendments made
19 by this subsection shall apply to fuel sold or used
20 after December 31, 2017.

21 (b) CLARIFICATION OF RULES REGARDING ALTER-
22 NATIVE FUEL MIXTURE CREDIT.—

23 (1) IN GENERAL.—Section 6426(e)(2) is
24 amended by striking “mixture of alternative fuel”
25 and inserting “mixture of alternative fuel (other

1 than a fuel described in subparagraph (A), (C), or
2 (F) of subsection (d)(2))”

3 (2) EFFECTIVE DATE.—The amendment made
4 by this subsection shall apply to—

5 (A) fuel sold or used on or after the date
6 of the enactment of this Act, and

7 (B) fuel sold or used before such date of
8 enactment, but only to the extent that credits
9 and claims of credit under section 6426(e) of
10 the Internal Revenue Code of 1986 with respect
11 to such sale or use have not been paid or al-
12 lowed as of such date.

13 **SEC. 203. EXTENSION OF SECOND GENERATION BIOFUEL**
14 **INCENTIVES.**

15 (a) IN GENERAL.—Section 40(b)(6)(J)(i) is amended
16 by striking “2018” and inserting “2025”.

17 (b) EXTENSION OF SPECIAL ALLOWANCE FOR DE-
18 PRECIATION OF SECOND GENERATION BIOFUEL PLANT
19 PROPERTY.—Section 168(l)(2)(D) is amended by striking
20 “2018” and inserting “2025”.

21 (c) EFFECTIVE DATE.—

22 (1) IN GENERAL.—The amendment made by
23 subsection (a) shall apply to qualified second genera-
24 tion biofuel production after December 31, 2017.

1 (2) SECOND GENERATION BIOFUEL PLANT
2 PROPERTY.—The amendment made by subsection
3 (b) shall apply to property placed in service after
4 December 31, 2017.

5 **TITLE III—GREEN ENERGY AND**
6 **EFFICIENCY INCENTIVES FOR**
7 **INDIVIDUALS**

8 **SEC. 301. EXTENSION, INCREASE, AND MODIFICATIONS OF**
9 **NONBUSINESS ENERGY PROPERTY CREDIT.**

10 (a) EXTENSION OF CREDIT.—Section 25C(g)(2) is
11 amended by striking “December 31, 2017” and inserting
12 “December 31, 2024”.

13 (b) INCREASE IN CREDIT PERCENTAGE FOR QUALI-
14 FIED ENERGY EFFICIENCY IMPROVEMENTS.—Section
15 25C(a)(1) is amended by striking “10 percent” and insert-
16 ing “15 percent”

17 (c) INCREASE IN LIFETIME LIMITATION OF CRED-
18 IT.—Section 25C(b)(1) is amended—

19 (1) by striking “\$500” and inserting “\$1,200”,
20 and

21 (2) by striking “December 31, 2005” and in-
22 serting “December 31, 2019”.

23 (d) LIMITATIONS.—Section 25C(b) is amended by
24 striking paragraphs (2) and (3) and inserting the fol-
25 lowing:

1 “(2) LIMITATION ON QUALIFIED ENERGY EFFI-
2 CIENCY IMPROVEMENTS.—The credit allowed under
3 this section by reason of subsection (a)(1), with re-
4 spect to costs paid or incurred by a taxpayer for a
5 taxable year, shall not exceed—

6 “(A) for components described in sub-
7 section (c)(3)(A), the excess (if any) of \$600
8 over the aggregate credits allowed under this
9 section with respect to such components for all
10 prior taxable years ending after December 31,
11 2019,

12 “(B) for components described in sub-
13 section (c)(3)(B),

14 “(i) in the case of components which
15 are not described in clause (ii), the excess
16 (if any) of \$200 over the aggregate credits
17 allowed under this section with respect to
18 such components for all prior taxable years
19 ending after December 31, 2019, and

20 “(ii) in the case of components which
21 meet the standards for most efficient cer-
22 tification under applicable Energy Star
23 program requirements, the excess (if any)
24 of \$600 over the aggregate credits allowed
25 under this section with respect to such

1 components for all prior taxable years end-
2 ing after December 31, 2019, or with re-
3 spect to components described in clause (i)
4 for such taxable year,

5 “(C) for components described in sub-
6 section (c)(3)(C) by any taxpayer for any tax-
7 able year, the credit allowed under this section
8 with respect to such amounts for such year
9 shall not exceed the lesser of—

10 “(i) the excess (if any) of \$500 over
11 the aggregate credits allowed under this
12 section with respect to such amounts for
13 all prior taxable years ending after Decem-
14 ber 31, 2019, or

15 “(ii) \$250 for each exterior door.

16 “(3) LIMITATION ON RESIDENTIAL ENERGY
17 PROPERTY EXPENDITURES.—The credit allowed
18 under this section by reason of subsection (a)(2)
19 shall not, with respect to an item of property, ex-
20 ceed—

21 “(A) in the case of property described in
22 subparagraph (A), (B), or (C) of subsection
23 (d)(3), \$600, and

1 “(B) for the case of property described in
2 subparagraph (D) of subsection (d)(3), \$400,
3 and

4 “(C) in the case of a hot water boiler,
5 \$600, and

6 “(D) in the case of a furnace, an amount
7 equal to the sum of—

8 “(i) \$300, plus

9 “(ii) if the taxpayer is converting
10 from a non-condensing furnace to a con-
11 densing furnace, \$300.”.

12 (e) STANDARDS FOR ENERGY EFFICIENT BUILDING
13 ENVELOPE COMPONENTS.—Section 25C(c)(2) is amended
14 by striking “meets—” and all that follows through the pe-
15 riod at the end and inserting the following: “meets—

16 “(A) in the case of an exterior window, a
17 skylight, or an exterior door, applicable Energy
18 Star program requirements, and

19 “(B) in the case of any other component,
20 the prescriptive criteria for such component es-
21 tablished by the 2018 IECC (as such term is
22 defined in section 45L(b)(5)).”.

23 (f) ROOFS NOT BUILDING ENVELOPE COMPO-
24 NENTS.—Section 25C(c)(3) is amended by adding “and”
25 at the end of subparagraph (B), by striking “, and” at

1 the end of subparagraph (C) and inserting a period, and
2 by striking subparagraph (D).

3 (g) **ADVANCED MAIN AIR CIRCULATING FANS NOT**
4 **QUALIFIED ENERGY PROPERTY.**—

5 (1) **IN GENERAL.**—Section 25C(d)(2)(A) is
6 amended by adding “or” at the end of clause (i), by
7 striking “, or” at the end of clause (ii) and inserting
8 a period, and by striking clause (iii).

9 (2) **CONFORMING AMENDMENT.**—Section
10 25C(d) is amended by striking paragraph (5) and
11 redesignating paragraph (6) as paragraph (5).

12 (h) **INCREASE IN STANDARD FOR ELECTRIC HEAT**
13 **PUMP WATER HEATER.**—Section 25C(d)(3)(A) is amend-
14 ed by striking “an energy factor of at least 2.0” and in-
15 serting “a uniform energy factor of at least 3.0”.

16 (i) **UPDATE OF STANDARDS FOR CERTAIN ENERGY-**
17 **EFFICIENT BUILDING PROPERTY.**—Section 25C(d)(3) is
18 amended—

19 (1) by striking “January 1, 2009” each place
20 such term appears and inserting “November 1,
21 2019”, and

22 (2) by striking subparagraph (D) and inserting
23 the following:

1 “(D) a natural gas, propane, or oil water
2 heater which, in the standard Department of
3 Energy test procedure, yields—

4 “(i) in the case of a storage tank
5 water heater—

6 “(I) in the case of a medium-
7 draw water heater, a uniform energy
8 factor of not less than 0.78, and

9 “(II) in the case of a high-draw
10 water heater, a uniform energy factor
11 of not less than 0.80, and

12 “(ii) in the case of a tankless water
13 heater—

14 “(I) in the case of a medium-
15 draw water heater, a uniform energy
16 factor of not less than 0.87, and

17 “(II) in the case of a high-draw
18 water heater, a uniform energy factor
19 of not less than 0.90, and”.

20 (j) INCREASE IN STANDARD FOR FURNACES.—Sec-
21 tion 25C(d)(4) is amended by striking by striking “not
22 less than 95.” and inserting the following: “not less
23 than—

24 “(A) in the case of a furnace, 97 percent,
25 and

1 “(B) in the case of a hot water boiler, 95
2 percent.”.

3 (k) HOME ENERGY AUDITS.—

4 (1) IN GENERAL.—Section 25C(a) is amended
5 by striking “and” at the end of paragraph (1), by
6 striking the period at the end of paragraph (2) and
7 inserting “, and”, and by adding at the end the fol-
8 lowing new paragraph:

9 “(3) 30 percent of the amount paid or incurred
10 by the taxpayer during the taxable year for home en-
11 ergy audits.”.

12 (2) LIMITATION.—Section 25C(b) is amended
13 adding at the end the following new paragraph:

14 “(4) HOME ENERGY AUDITS.—The amount of
15 the credit allowed under this section by reason of
16 subsection (a)(3) shall not exceed \$150.”.

17 (3) HOME ENERGY AUDITS.—Section 25C, as
18 amended by subsections (a), is amended by redesignig-
19 nating subsections (e), (f), and (g), as subsections
20 (f), (g), and (h), respectively, and by inserting after
21 subsection (d) the following new subsection:

22 “(e) HOME ENERGY AUDITS.—For purposes of this
23 section, the term ‘home energy audit’ means an inspection
24 and written report with respect to a dwelling unit located
25 in the United States and owned or used by the taxpayer

1 as the taxpayer's principal residence (within the meaning
2 of section 121) which—

3 “(1) identifies the most significant and cost-ef-
4 fective energy efficiency improvements with respect
5 to such dwelling unit, including an estimate of the
6 energy and cost savings with respect to each such
7 improvement, and

8 “(2) is conducted and prepared by a home en-
9 ergy auditor that meets the certification or other re-
10 quirements specified by the Secretary (after con-
11 sultation with the Secretary of Energy, and not later
12 than 180 days after the date of the enactment of
13 this subsection) in regulations or other guidance.”.

14 (4) CONFORMING AMENDMENT.—Section
15 1016(a)(33) is amended by striking “section 25C(f)”
16 and inserting “section 25C(g)”.

17 (l) EFFECTIVE DATES.—

18 (1) INCREASE AND MODERNIZATION.—Except
19 as otherwise provided by this subsection, the amend-
20 ments made by this section shall apply to property
21 placed in service after December 31, 2019.

22 (2) EXTENSION.—The amendments made by
23 subsection (a) shall apply to property placed in serv-
24 ice after December 31, 2017.

1 (3) HOME ENERGY AUDITS.—The amendments
2 made by subsection (k) shall apply to amounts paid
3 or incurred after December 31, 2019.

4 **SEC. 302. RESIDENTIAL ENERGY EFFICIENT PROPERTY.**

5 (a) EXTENSION OF CREDIT.—

6 (1) IN GENERAL.—Section 25D(h) is amended
7 by striking “December 31, 2021” and inserting
8 “December 31, 2026”.

9 (2) APPLICATION OF PHASEOUT.—Section
10 25D(g) is amended—

11 (A) in paragraph (1), by striking “January
12 1, 2020” and inserting “January 1, 2025”,

13 (B) in paragraph (2)—

14 (i) by striking “December 31, 2019”
15 and inserting “December 31, 2024”, and

16 (ii) by striking “January 1, 2021”
17 and inserting “January 1, 2026”, and

18 (C) in paragraph (3)—

19 (i) by striking “December 31, 2020”
20 and inserting “December 31, 2025”, and

21 (ii) by striking “January 1, 2022”
22 and inserting “January 1, 2027”.

23 (b) QUALIFIED BIOMASS FUEL PROPERTY EXPENDI-
24 TURES; RESIDENTIAL ENERGY EFFICIENT PROPERTY
25 CREDIT FOR BATTERY STORAGE TECHNOLOGY.—

1 (1) IN GENERAL.—Section 25D(a) is amended
2 by striking “and” at the end of paragraph (4) and
3 by inserting after paragraph (5) the following new
4 paragraphs:

5 “(6) the qualified biomass fuel property expend-
6 itures, and

7 “(7) the qualified battery storage technology ex-
8 penditures,”.

9 (2) QUALIFIED BIOMASS FUEL PROPERTY EX-
10 PENDITURES; RESIDENTIAL ENERGY EFFICIENT
11 PROPERTY CREDIT FOR BATTERY STORAGE TECH-
12 NOLOGY.—Section 25D(d) is amended by adding at
13 the end the following new paragraphs:

14 “(6) QUALIFIED BIOMASS FUEL PROPERTY EX-
15 PENDITURE.—

16 “(A) IN GENERAL.—The term ‘qualified
17 biomass fuel property expenditure’ means an
18 expenditure for property—

19 “(i) which uses the burning of bio-
20 mass fuel to heat a dwelling unit located in
21 the United States and used as a residence
22 by the taxpayer, or to heat water for use
23 in such a dwelling unit, and

1 “(ii) which has a thermal efficiency
2 rating of at least 75 percent (measured by
3 the higher heating value of the fuel).

4 “(B) BIOMASS FUEL.—For purposes of
5 this section, the term ‘biomass fuel’ means any
6 plant-derived fuel available on a renewable or
7 recurring basis.

8 “(7) QUALIFIED BATTERY STORAGE TECH-
9 NOLOGY EXPENDITURE.—The term ‘qualified bat-
10 tery storage technology expenditure’ means an ex-
11 penditure for battery storage technology which—

12 “(A) is installed in connection with a
13 dwelling unit located in the United States and
14 used as a residence by the taxpayer, and

15 “(B) has a capacity of not less than 3 kilo-
16 watt hours.”.

17 (3) DENIAL OF DOUBLE BENEFIT FOR BIOMASS
18 STOVES.—

19 (A) IN GENERAL.—Section 25C(d)(3) is
20 amended by adding “and” at the end of sub-
21 paragraph (C), by striking “, and” at the end
22 of subparagraph (D) and inserting a period,
23 and by striking subparagraph (E).

24 (B) CONFORMING AMENDMENT.—Section
25 25C(d), as amended by the preceding provisions

1 of this Act, is amended by striking paragraph
2 (5).

3 (c) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to expenditures made after the
5 date of the enactment of this Act.

6 **SEC. 303. ENERGY EFFICIENT COMMERCIAL BUILDINGS DE-**
7 **DUCTION.**

8 (a) EXTENSION.—Section 179D(h) is amended by
9 striking “December 31, 2017” and inserting “December
10 31, 2024”.

11 (b) INCREASE IN THE MAXIMUM AMOUNT OF DE-
12 Duction.—

13 (1) IN GENERAL.—Section 179D(b) is amended
14 by striking “\$1.80” and inserting “\$3”.

15 (2) INFLATION ADJUSTMENT.—Section 179D is
16 amended by adding at the end the following new
17 subsection:

18 “(i) INFLATION ADJUSTMENT.—In the case of a tax-
19 able year beginning after 2020, each dollar amount in sub-
20 section (b) or subsection (d)(1)(A) shall be increased by
21 an amount equal to—

22 “(1) such dollar amount, multiplied by

23 “(2) the cost-of-living adjustment determined
24 under section 1(f)(3) for the calendar year in which
25 the taxable year begins, determined by substituting

1 ‘calendar year 2019’ for ‘calendar year 2016’ in sub-
2 paragraph (A)(ii) thereof.”.

3 (3) CONFORMING AMENDMENT.—Section
4 179D(d)(1)(A) is amended by striking “by sub-
5 stituting ‘\$.60’ for ‘\$1.80’” and inserting “by sub-
6 stituting ‘\$1’ for ‘\$3’”.

7 (c) LIMIT ON DEDUCTION LIMITED TO THREE-YEAR
8 PERIOD.—Section 179D(b)(2) is amended by striking “for
9 all prior taxable years” and inserting “for the 3 years im-
10 mediately preceding such taxable year”.

11 (d) UPDATE OF STANDARDS.—

12 (1) ASHRAE STANDARDS.—Section 179D(c) is
13 amended—

14 (A) in paragraphs (1)(B)(ii) and (1)(D),
15 by striking “Standard 90.1–2007” and insert-
16 ing “Reference Standard 90.1”, and

17 (B) by amending paragraph (2) to read as
18 follows:

19 “(2) REFERENCE STANDARD 90.1.—The term
20 ‘Reference Standard 90.1’ means, with respect to
21 property, the Standard 90.1 most recently adopted
22 (as of the date that is 2 years before the date that
23 construction of such property begins) by the Amer-
24 ican Society of Heating, Refrigerating, and Air Con-

1 conditioning Engineers and the Illuminating Engineer-
2 ing Society of North America.”.

3 (2) CALIFORNIA NONRESIDENTIAL ALTER-
4 NATIVE CALCULATION METHOD APPROVAL MAN-
5 UAL.—Section 179D(d)(2) is amended by striking
6 “2005” and inserting “2019”.

7 (e) CHANGE IN EFFICIENCY STANDARDS.—Section
8 179D(e)(1)(D) is amended by striking “50” and inserting
9 “30”.

10 (f) PAYMENT FOR PUBLIC PROPERTY.—Section
11 179D(d)(4) is amended to read as follow:

12 “(4) PAYMENT FOR PUBLIC PROPERTY.—

13 “(A) IN GENERAL.—In the case of energy
14 efficient commercial building property placed in
15 service by a State or local government or a po-
16 litical subdivision thereof, such government or
17 subdivision shall be treated as making a pay-
18 ment against the tax imposed by subtitle A for
19 the taxable year equal to 10 percent of the
20 amount allowable as a deduction under sub-
21 section (a) with respect to such property.

22 “(B) TIMING.—The payment described in
23 subparagraph (A) shall be treated as made
24 on—

1 “(i) in the case of a State or local
2 government or a political subdivision there-
3 of for which no return is required under
4 section 6011 or 6033(a), the later of the
5 date that a return would be due under sec-
6 tion 6033(a) if such government or sub-
7 division were described in that section or
8 the date on which such government or sub-
9 division submits a claim for credit or re-
10 fund (at such time and in such manner as
11 the Secretary shall provide), and

12 “(ii) in any other case, the later of the
13 due date of the return of tax for the tax-
14 able year or the date on which such return
15 is filed.”.

16 (g) DEADWOOD.—Section 179D, as amended by sub-
17 section (a), is amended by striking subsection (f) and re-
18 designating subsections (g) and (h) as subsections (f) and
19 (g), respectively.

20 (h) EFFECTIVE DATE.—

21 (1) IN GENERAL.—Except as provided by para-
22 graph (2), amendments made by this section shall
23 apply to property placed in service after December
24 31, 2019.

1 (2) EXTENSION.—The amendment made by
2 subsection (a) shall apply to property placed in serv-
3 ice after December 31, 2017.

4 **SEC. 304. EXTENSION, INCREASE, AND MODIFICATIONS OF**
5 **NEW ENERGY EFFICIENT HOME CREDIT.**

6 (a) EXTENSION OF CREDIT.—Section 45L(g) is
7 amended by striking “December 31, 2017” and inserting
8 “December 31, 2024”.

9 (b) INCREASE IN CREDIT FOR CERTAIN DWELLING
10 UNITS.—Section 45L(a)(2)(A) is amended by striking
11 “\$2,000” and inserting “\$2,500”.

12 (c) INCREASE IN STANDARD FOR HEATING AND
13 COOLING REDUCTION FOR CERTAIN UNITS.—Section
14 45L(c)(1) is amended by striking “50 percent” each place
15 such term appears and inserting “60 percent”.

16 (d) ENERGY SAVING REQUIREMENTS MODIFICA-
17 TIONS.—

18 (1) ALL ENERGY STAR LABELED HOMES ELIGI-
19 BLE; NO REDUCTION IN STANDARD.—Section 45L(c)
20 is amended by amending paragraph (3) to read as
21 follows:

22 “(3) a unit which meets the requirements estab-
23 lished by the Administrator of the Environmental
24 Protection Agency under the Energy Star Labeled
25 Homes program and, in the case of a manufactured

1 home, which conforms to Federal Manufactured
2 Home Construction and Safety Standards (part
3 3280 of title 24, Code of Federal Regulations).”.

4 (2) UNITS CONSTRUCTED IN ACCORDANCE
5 WITH 2018 IECC STANDARDS.—Section 45L(c), as
6 amended by paragraph (1), is further amended by
7 striking “or” at the end of paragraph (2), by strik-
8 ing the period at the end of paragraph (3) and in-
9 serting “, or”, and by adding at the end the fol-
10 lowing new paragraph:

11 “(4) certified—

12 “(A) to have a level of annual energy con-
13 sumption which is at least 15 percent below the
14 annual level of energy consumption of a com-
15 parable dwelling unit—

16 “(i) which is constructed in accord-
17 ance with the standards of chapter 4 of the
18 2018 IECC (without taking into account
19 on-site energy generation), and

20 “(ii) which meets the requirements de-
21 scribed in paragraph (1)(A)(ii), and

22 “(B) to have building envelope component
23 improvements account for at least 1/5 of such
24 15 percent.”.

25 (3) CONFORMING AMENDMENTS.—

1 (A) Section 45L(c)(2) is amended by in-
2 serting “or (4)” after “paragraph (1)”.

3 (B) Section 45L(a)(2)(A) is amended by
4 striking “or (2)” and inserting “, (2), or (4)”.

5 (C) Section 45L(b) is amended by adding
6 at the end the following:

7 “(5) 2018 IECC.—The term ‘2018 IECC’
8 means the 2018 International Energy Conservation
9 Code, as such Code (including supplements) is in ef-
10 fect on November 1, 2018.”.

11 (e) EFFECTIVE DATES.—

12 (1) MODERNIZATION.—Unless otherwise pro-
13 vided by this subsection, amendments made by this
14 section shall apply to dwelling units acquired after
15 December 31, 2020.

16 (2) EXTENSION.—The amendment made by
17 subsection (a) shall apply to qualified new energy ef-
18 ficient homes acquired after December 31, 2017.

19 **SEC. 305. MODIFICATIONS TO INCOME EXCLUSION FOR**
20 **CONSERVATION SUBSIDIES.**

21 (a) IN GENERAL.—Section 136(a) is amended—

22 (1) by striking “any subsidy provided” and in-
23 serting “any subsidy—

24 “(1) provided”,

1 (2) by striking the period at the end and insert-
2 ing a comma, and

3 (3) by adding at the end the following new
4 paragraphs:

5 “(2) provided (directly or indirectly) by a public
6 utility to a customer, or by a State or local govern-
7 ment to a resident of such State or locality, for the
8 purchase or installation of any water conservation or
9 efficiency measure, or

10 “(3) provided (directly or indirectly) by a storm
11 water management provider to a customer, or by a
12 State or local government to a resident of such State
13 or locality, for the purchase or installation of any
14 storm water management measure.”.

15 (b) CONFORMING AMENDMENTS.—

16 (1) DEFINITION OF WATER CONSERVATION OR
17 EFFICIENCY MEASURE AND STORM WATER MANAGE-
18 MENT MEASURE.—Section 136(c) is amended—

19 (A) by striking “ENERGY CONSERVATION
20 MEASURE” in the heading thereof and inserting
21 “DEFINITIONS”,

22 (B) by striking “IN GENERAL” in the
23 heading of paragraph (1) and inserting “EN-
24 ERGY CONSERVATION MEASURE”, and

1 (C) by redesignating paragraph (2) as
2 paragraph (4) and by inserting after paragraph
3 (1) the following:

4 “(2) WATER CONSERVATION OR EFFICIENCY
5 MEASURE.—For purposes of this section, the term
6 ‘water conservation or efficiency measure’ means any
7 evaluation of water use, or any installation or modi-
8 fication of property, the primary purpose of which is
9 to reduce consumption of water or to improve the
10 management of water demand with respect to one or
11 more dwelling units.

12 “(3) STORM WATER MANAGEMENT MEASURE.—
13 For purposes of this section, the term ‘storm water
14 management measure’ means any installation or
15 modification of property primarily designed to re-
16 duce or manage amounts of storm water with re-
17 spect to one or more dwelling units.”.

18 (2) DEFINITION OF PUBLIC UTILITY.—Section
19 136(c)(4) (as redesignated by paragraph (1)(C)) is
20 amended by striking subparagraph (B) and inserting
21 the following:

22 “(B) PUBLIC UTILITY.—The term ‘public
23 utility’ means a person engaged in the sale of
24 electricity, natural gas, or water to residential,

1 commercial, or industrial customers for use by
2 such customers.

3 “(C) STORM WATER MANAGEMENT PRO-
4 VIDER.—The term ‘storm water management
5 provider’ means a person engaged in the provi-
6 sion of storm water management measures to
7 the public.

8 “(D) PERSON.—For purposes of subpara-
9 graphs (B) and (C), the term ‘person’ includes
10 the Federal Government, a State or local gov-
11 ernment or any political subdivision thereof, or
12 any instrumentality of any of the foregoing.”.

13 (3) CLERICAL AMENDMENTS.—

14 (A) The heading of section 136 is amend-
15 ed—

16 (i) by inserting “**AND WATER**” after
17 “**ENERGY**”, and

18 (ii) by striking “**PROVIDED BY PUB-
19 LIC UTILITIES**”.

20 (B) The item relating to section 136 in the
21 table of sections of part III of subchapter B of
22 chapter 1 is amended—

23 (i) by inserting “and water” after
24 “energy”, and

1 (ii) by striking “provided by public
2 utilities”.

3 (c) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to amounts received after Decem-
5 ber 31, 2019.

6 (d) NO INFERENCE.—Nothing in this Act or the
7 amendments made by this Act shall be construed to create
8 any inference with respect to the proper tax treatment of
9 any subsidy received directly or indirectly from a public
10 utility, a storm water management provider, or a State
11 or local government for any water conservation measure
12 or storm water management measure before January 1,
13 2020.

14 **TITLE IV—GREENING THE**
15 **FLEET AND ALTERNATIVE VE-**
16 **HICLES**

17 **SEC. 401. MODIFICATION OF LIMITATIONS ON NEW QUALI-**
18 **FIED PLUG-IN ELECTRIC DRIVE MOTOR VEHI-**
19 **CLE CREDIT.**

20 (a) IN GENERAL.—Section 30D(e) is amended to
21 read as follows:

22 “(e) LIMITATION ON NUMBER OF NEW QUALIFIED
23 PLUG-IN ELECTRIC DRIVE MOTOR VEHICLES ELIGIBLE
24 FOR CREDIT.—

1 “(1) IN GENERAL.—In the case of any new
2 qualified plug-in electric drive motor vehicle sold
3 after the date of the enactment of the GREEN Act
4 of 2019—

5 “(A) if such vehicle is sold during the tran-
6 sition period, the amount determined under
7 subsection (b)(2) shall be reduced by \$500, and

8 “(B) if such vehicle is sold during the
9 phaseout period, only the applicable percentage
10 of the credit otherwise allowable under sub-
11 section (a) shall be allowed.

12 “(2) TRANSITION PERIOD.—For purposes of
13 this subsection, the transition period is the period
14 subsequent to the first date on which the number of
15 new qualified plug-in electric drive motor vehicles
16 manufactured by the manufacturer of the vehicle re-
17 ferred to in paragraph (1) sold for use in the United
18 States after December 31, 2009, is at least 200,000.

19 “(3) PHASEOUT PERIOD.—

20 “(A) IN GENERAL.—For purposes of this
21 subsection, the phaseout period is the period be-
22 ginning with the second calendar quarter fol-
23 lowing the calendar quarter which includes the
24 first date on which the number of new qualified
25 plug-in electric drive motor vehicles manufac-

1 tured by the manufacturer of the vehicle re-
2 ferred to in paragraph (1) sold for use in the
3 United States after December 31, 2009, is at
4 least 600,000.

5 “(B) APPLICABLE PERCENTAGE.—For
6 purposes of paragraph (1)(B), the applicable
7 percentage is—

8 “(i) 50 percent for the first calendar
9 quarter of the phaseout period, and

10 “(ii) 0 percent for each calendar quar-
11 ter thereafter.

12 “(C) EXCLUSION OF SALE OF CERTAIN VE-
13 HICLES.—

14 “(i) IN GENERAL.—For purposes of
15 subparagraph (A), any new qualified plug-
16 in electric drive motor vehicle manufac-
17 tured by the manufacturer of the vehicle
18 referred to in paragraph (1) which was
19 sold during the exclusion period shall not
20 be included for purposes of determining
21 the number of such vehicles sold.

22 “(ii) EXCLUSION PERIOD.—For pur-
23 poses of this subparagraph, the exclusion
24 period is the period—

1 “(I) beginning on the first date
2 on which the number of new qualified
3 plug-in electric drive motor vehicles
4 manufactured by the manufacturer of
5 the vehicle referred to in paragraph
6 (1) sold for use in the United States
7 after December 31, 2009, is at least
8 200,000, and

9 “(II) ending on the date of the
10 enactment of the GREEN Act of
11 2019.

12 “(4) CONTROLLED GROUPS.—Rules similar to
13 the rules of section 30B(f)(4) shall apply for pur-
14 poses of this subsection.”.

15 (b) EXTENSION FOR 2- AND 3-WHEELED PLUG-IN
16 ELECTRIC VEHICLES.—Section 30D(g)(3)(E) is amended
17 to read as follows:

18 “(E) is acquired—

19 “(i) in the case of a vehicle that has
20 3 wheels, after December 31, 2019, and
21 before January 1, 2025, or

22 “(ii) in the case of a vehicle that has
23 2 wheels, after December 31, 2017, and
24 before January 1, 2025.”.

25 (c) EFFECTIVE DATE.—

1 (1) LIMITATION.—The amendment made by
2 subsection (a) shall apply to vehicles sold after the
3 date of the enactment of this Act.

4 (2) EXTENSION.—The amendment made by
5 subsection (b) shall apply—

6 (A) in the case of a vehicle that has 3
7 wheels, to vehicles sold after December 31,
8 2019, and

9 (B) in the case of a vehicle that has 2
10 wheels, to vehicles sold after December 31,
11 2017.

12 **SEC. 402. CREDIT FOR PREVIOUSLY-OWNED QUALIFIED**
13 **PLUG-IN ELECTRIC DRIVE MOTOR VEHICLES.**

14 (a) IN GENERAL.—Subpart A of part IV of sub-
15 chapter A of chapter 1 is amended by inserting after sec-
16 tion 25D the following new section:

17 **“SEC. 25E. PREVIOUSLY-OWNED QUALIFIED PLUG-IN ELEC-**
18 **TRIC DRIVE MOTOR VEHICLES.**

19 “(a) ALLOWANCE OF CREDIT.—In the case of a
20 qualified buyer who during a taxable year places in service
21 a previously-owned qualified plug-in electric drive motor
22 vehicle, there shall be allowed as a credit against the tax
23 imposed by this chapter for the taxable year an amount
24 equal to the sum of—

25 “(1) \$1,250, plus

1 “(2) in the case of a vehicle which draws pro-
2 pulsion energy from a battery which exceeds 4 kilo-
3 watt hours of capacity (determined at the time of
4 sale), the lesser of—

5 “(A) \$1,250, and

6 “(B) the product of \$208.50 and such ex-
7 cess kilowatt hours.

8 “(b) LIMITATIONS.—

9 “(1) SALE PRICE.—The credit allowed under
10 subsection (a) with respect to sale of a vehicle shall
11 not exceed 30 percent of the sale price.

12 “(2) ADJUSTED GROSS INCOME.—The amount
13 which would (but for this paragraph) be allowed as
14 a credit under subsection (a) shall be reduced (but
15 not below zero) by \$250 for each \$1,000 (or fraction
16 thereof) by which the taxpayer’s adjusted gross in-
17 come exceeds \$30,000 (twice such amount in the
18 case of a joint return).

19 “(c) DEFINITIONS.—For purposes of this section—

20 “(1) PREVIOUSLY-OWNED QUALIFIED PLUG-IN
21 ELECTRIC DRIVE MOTOR VEHICLE.—The term ‘pre-
22 viously-owned qualified plug-in electric drive motor
23 vehicle’ means, with respect to a taxpayer, a motor
24 vehicle—

1 “(A) the model year of which is at least 2
2 earlier than the calendar year in which the tax-
3 payer acquires such vehicle,

4 “(B) the original use of which commences
5 with a person other than the taxpayer,

6 “(C) which is acquired by the taxpayer in
7 a qualified sale,

8 “(D) registered by the taxpayer for oper-
9 ation in a State or possession of the United
10 States, and

11 “(E) which meets the requirements of sub-
12 paragraphs (C), (D), (E), and (F) of section
13 30D(d)(1).

14 “(2) QUALIFIED SALE.—The term ‘qualified
15 sale’ means a sale of a motor vehicle—

16 “(A) by a person who holds such vehicle in
17 inventory (within the meaning of section 471)
18 for sale or lease,

19 “(B) for a sale price of less than \$25,000,
20 and

21 “(C) which is the first transfer since the
22 date of the enactment of this section to a per-
23 son other than the person with whom the origi-
24 nal use of such vehicle commenced.

1 “(3) QUALIFIED BUYER.—The term ‘qualified
2 buyer’ means, with respect to a sale of a motor vehi-
3 cle, a taxpayer—

4 “(A) who is an individual,

5 “(B) who purchases such vehicle for use
6 and not for resale,

7 “(C) with respect to whom no deduction is
8 allowable with respect to another taxpayer
9 under section 151,

10 “(D) who has not been allowed a credit
11 under this section for any sale during the 3-
12 year period ending on the date of the sale of
13 such vehicle, and

14 “(E) who possesses a certificate issued by
15 the seller that certifies—

16 “(i) that the vehicle is a previously-
17 owned qualified plug-in electric drive motor
18 vehicle,

19 “(ii) the capacity of the battery at
20 time of sale, and

21 “(iii) such other information as the
22 Secretary may require.

23 “(4) MOTOR VEHICLE; CAPACITY.—The terms
24 ‘motor vehicle’ and ‘capacity’ have the meaning

1 given such terms in paragraphs (2) and (4) of sec-
2 tion 30D(d), respectively.

3 “(d) APPLICATION OF CERTAIN RULES.—For pur-
4 poses of this section, rules similar to the rules of para-
5 graphs (1), (2), (4), (5), (6) and (7) of section 30D(f)
6 shall apply for purposes of this section.

7 “(e) CERTIFICATE SUBMISSION REQUIREMENT.—
8 The Secretary may require that the issuer of the certifi-
9 cate described in subsection (c)(3)(E) submit such certifi-
10 cate to the Secretary at the time and in the manner re-
11 quired by the Secretary.

12 “(f) TERMINATION.—No credit shall be allowed
13 under this section with respect to sales after December
14 31, 2024.”.

15 (b) CLERICAL AMENDMENT.—The table of sections
16 for subpart A of part IV of subchapter A of chapter 1
17 is amended by inserting after the item relating to section
18 25D the following new item:

“Sec. 25E. Previously-owned qualified plug-in electric drive motor vehicles.”.

19 (c) EFFECTIVE DATE.—The amendments made by
20 this section shall apply to sales after the date of the enact-
21 ment of this Act.

1 **SEC. 403. CREDIT FOR ZERO-EMISSION HEAVY VEHICLES**
2 **AND ZERO-EMISSION BUSES.**

3 (a) IN GENERAL.—Subpart D of part IV of sub-
4 chapter A of chapter 1 is amended by adding at the end
5 the following new section:

6 **“SEC. 45T. ZERO-EMISSION HEAVY VEHICLE CREDIT.**

7 “(a) ALLOWANCE OF CREDIT.—For purposes of sec-
8 tion 38, in the case of a manufacturer of a zero-emission
9 heavy vehicle, the zero-emission heavy vehicle credit deter-
10 mined under this section for a taxable year is an amount
11 equal to 10 percent of the sum of the sale price of each
12 zero-emission heavy vehicle sold by such taxpayer during
13 such taxable year.

14 “(b) LIMITATION.—The sale price of a zero-emission
15 heavy vehicle may not be taken into account under sub-
16 section (a) to the extent such price exceeds \$1,000,000.

17 “(c) ZERO-EMISSION HEAVY VEHICLE.—For pur-
18 poses of this section—

19 “(1) IN GENERAL.—The term ‘zero-emission
20 heavy vehicle’ means a motor vehicle which—

21 “(A) has a gross vehicle weight rating of
22 not less than 14,000 pounds,

23 “(B) is not powered or charged by an in-
24 ternal combustion engine, and

1 “(C) is propelled solely by an electric
2 motor which draws electricity from a battery or
3 fuel cell.

4 “(2) MOTOR VEHICLE; MANUFACTURER.—The
5 term ‘motor vehicle’ and ‘manufacturer’ have the
6 meaning given such terms in paragraphs (2) and (3)
7 of section 30D(d), respectively.

8 “(d) SPECIAL RULES.—

9 “(1) SALE PRICE.—For purposes of this sec-
10 tion, the sale price of a zero-emission heavy vehicle
11 shall be reduced by any rebate or other incentive
12 given before, on, or after the date of the sale.

13 “(2) DOMESTIC USE.—No credit shall be al-
14 lowed under subsection (a) with respect to a zero-
15 emission heavy vehicle to a manufacturer who knows
16 or has reason to know that such vehicle will not be
17 used primarily in the United States or a possession
18 of the United States.

19 “(3) REGULATIONS.—The Secretary shall pre-
20 scribe such regulations as may be necessary or ap-
21 propriate to carry out the purposes of this section.

22 “(e) TERMINATION.—This section shall not apply to
23 sales after December 31, 2024.”.

24 (b) CREDIT MADE PART OF GENERAL BUSINESS
25 CREDIT.—Subsection (b) of section 38 is amended by

1 striking “plus” at the end of paragraph (31), by striking
2 the period at the end of paragraph (32) and inserting “,
3 plus”, and by adding at the end the following new para-
4 graph:

5 “(33) the zero-emission heavy vehicle credit de-
6 termined under section 45T.”.

7 (c) CLERICAL AMENDMENT.—The table of sections
8 for subpart D of part IV of subchapter A of chapter 1
9 is amended by adding at the end the following new item:

 “Sec. 45T. Zero-emission heavy vehicle credit.”.

10 (d) EFFECTIVE DATE.—The amendments made by
11 this section shall apply to sales after the date of the enact-
12 ment of this Act.

13 **SEC. 404. QUALIFIED FUEL CELL MOTOR VEHICLES.**

14 (a) IN GENERAL.—Section 30B(k)(1) is amended by
15 striking “December 31, 2017” and inserting “December
16 31, 2024”.

17 (b) EFFECTIVE DATE.—The amendment made by
18 this section shall apply to property placed in service after
19 December 31, 2017.

20 **SEC. 405. ALTERNATIVE FUEL REFUELING PROPERTY**
21 **CREDIT.**

22 (a) IN GENERAL.—Section 30C(g) is amended by
23 striking “December 31, 2017” and inserting “December
24 31, 2024”.

1 (b) ADDITIONAL CREDIT FOR CERTAIN ELECTRIC
2 CHARGING PROPERTY.—

3 (1) IN GENERAL.—Section 30C(a) is amend-
4 ed—

5 (A) by striking “equal to 30 percent” and
6 inserting the following: “equal to the sum of—
7 “(1) 30 percent”.

8 (B) by striking the period at the end and
9 inserting “, plus”, and

10 (C) by adding at the end the following new
11 paragraph:

12 “(2) 20 percent of so much of such cost as ex-
13 ceeds the limitation under subsection (b)(1) that
14 does not exceed the amount of cost attributable to
15 qualified alternative vehicle refueling property (de-
16 termined without regard to paragraphs (1), (2)(A),
17 and (2)(B) of subsection (c)) which—

18 “(A) is intended for general public use and
19 recharges motor vehicle batteries with no asso-
20 ciated fee or payment arrangement,

21 “(B) is intended for general public use and
22 accepts payment via a credit card reader, or

23 “(C) is intended for use exclusively by
24 fleets of commercial or governmental vehicles.”.

1 (2) CONFORMING AMENDMENT.—Section
2 30C(b) is amended—

3 (A) by striking “The credit allowed under
4 subsection (a)” and inserting “The amount of
5 cost taken into account under subsection
6 (a)(1)”,

7 (B) by striking “\$30,000” and inserting
8 “\$100,000”, and

9 (C) by striking “\$1,000” and inserting
10 “\$3333.33”.

11 (c) EFFECTIVE DATE.—

12 (1) EXTENSION.—The amendment made by
13 subsection (a) shall apply to property placed in serv-
14 ice after December 31, 2017.

15 (2) LIMITATION FOR ELECTRIC CHARGING
16 BUSINESS PROPERTY.—The amendments made by
17 subsection (b) shall apply to property placed in serv-
18 ice after December 31, 2019.

19 **TITLE V—INVESTMENT IN THE** 20 **GREEN WORKFORCE**

21 **SEC. 501. EXTENSION OF THE ADVANCED ENERGY** 22 **PROJECT CREDIT.**

23 (a) IN GENERAL.—Section 48C is amended by redес-
24 ignating subsection (e) as subsection (f) and by inserting
25 after subsection (d) the following new subsection:

1 “(e) ADDITIONAL ALLOCATIONS.—

2 “(1) IN GENERAL.—Not later than 180 days
3 after the date of enactment of this paragraph, the
4 Secretary, after consultation with the Secretary of
5 Energy, shall establish a program to designate
6 amounts of qualifying advanced project credit limita-
7 tion to qualifying advanced energy projects.

8 “(2) ANNUAL LIMITATION.—

9 “(A) IN GENERAL.—The amount of quali-
10 fying advanced project credit limitation that
11 may be designated under this subsection during
12 any calendar year shall not exceed the annual
13 credit limitation with respect to such year.

14 “(B) ANNUAL CREDIT LIMITATION.—For
15 purposes of this subsection, the term ‘annual
16 credit limitation’ means \$2,500,000,000 for
17 each of calendar years 2020, 2021, 2022, 2023,
18 and 2024, and zero thereafter.

19 “(C) CARRYOVER OF UNUSED LIMITA-
20 TION.—If the annual credit limitation for any
21 calendar year exceeds the aggregate amount
22 designated for such year under this subsection,
23 such limitation for the succeeding calendar year
24 shall be increased by the amount of such excess.

1 No amount may be carried under the preceding
2 sentence to any calendar year after 2024.

3 “(3) PLACED IN SERVICE DEADLINE.—No cred-
4 it shall be determined under subsection (a) with re-
5 spect to any property which is placed in service after
6 the date that is 4 years after the date of the des-
7 ignation under this subsection relating to such prop-
8 erty.

9 “(4) SELECTION CRITERIA.—Selection criteria
10 similar to those in subsection (d)(3) shall apply, ex-
11 cept that in determining designations under this
12 subsection, the Secretary, after consultation with the
13 Secretary of Energy, shall give the highest priority
14 to projects which manufacture (other than assembly
15 of components) property described in a subclause of
16 subsection (c)(1)(A)(i) (or components thereof).

17 “(5) DISCLOSURE OF DESIGNATIONS.—Rules
18 similar to the rules of subsection (d)(5) shall apply
19 for purposes of this subsection.”.

20 (b) EFFECTIVE DATE.—The amendment made by
21 this section shall take effect on the date of the enactment
22 of this Act.

23 (c) PROGRESS REPORT.—During the 30-day period
24 ending on December 31, 2025, the Secretary of the Treas-
25 ury (or the Secretary’s delegate), after consultation with

1 the Secretary of Labor, shall submit a report to Congress
2 on the domestic job creation, and wages associated with
3 such jobs, attributable to the amendment made by this
4 section.

5 **SEC. 502. LABOR COSTS OF INSTALLING MECHANICAL IN-**
6 **SULATION PROPERTY.**

7 (a) IN GENERAL.—Subpart D of part IV of sub-
8 chapter A of chapter 1, as amended by the preceding pro-
9 visions of this Act, is further amended by adding at the
10 end the following new section:

11 **“SEC. 45U. LABOR COSTS OF INSTALLING MECHANICAL IN-**
12 **SULATION PROPERTY.**

13 “(a) IN GENERAL.—For purposes of section 38, the
14 mechanical insulation labor costs credit determined under
15 this section for any taxable year is an amount equal to
16 10 percent of the mechanical insulation labor costs paid
17 or incurred by the taxpayer during such taxable year.

18 “(b) MECHANICAL INSULATION LABOR COSTS.—For
19 purposes of this section—

20 “(1) IN GENERAL.—The term ‘mechanical insu-
21 lation labor costs’ means the labor cost of installing
22 mechanical insulation property with respect to a me-
23 chanical system referred to in paragraph (2)(A)
24 which was originally placed in service not less than

1 1 year before the date on which such mechanical in-
2 sulation property is installed.

3 “(2) MECHANICAL INSULATION PROPERTY.—

4 The term ‘mechanical insulation property’ means in-
5 sulation materials, and facings and accessory prod-
6 ucts installed in connection to such insulation mate-
7 rials—

8 “(A) placed in service in connection with a
9 mechanical system which—

10 “(i) is located in the United States,
11 and

12 “(ii) is of a character subject to an al-
13 lowance for depreciation, and

14 “(B) which result in a reduction in energy
15 loss from the mechanical system which is great-
16 er than the expected reduction from the instal-
17 lation of insulation materials which meet the
18 minimum requirements of Reference Standard
19 90.1 (as defined in section 179D(c)(2)).

20 “(c) TERMINATION.—This section shall not apply to
21 mechanical insulation labor costs paid or incurred after
22 December 31, 2024.”.

23 (b) CREDIT ALLOWED AS PART OF GENERAL BUSI-
24 NESS CREDIT.—Section 38(b), as amended by the pre-
25 ceding provisions of this Act, is further amended by strik-

1 ing “plus” at the end of paragraph (32), by striking the
2 period at the end of paragraph (33) and inserting “, plus”,
3 and by adding at the end the following new paragraph:

4 “(34) the mechanical insulation labor costs
5 credit determined under section 45U(a).”.

6 (c) CONFORMING AMENDMENTS.—

7 (1) Section 280C is amended by adding at the
8 end the following new subsection:

9 “(i) MECHANICAL INSULATION LABOR COSTS CRED-
10 IT.—

11 “(1) IN GENERAL.—No deduction shall be al-
12 lowed for that portion of the mechanical insulation
13 labor costs (as defined in section 45U(b)) otherwise
14 allowable as deduction for the taxable year which is
15 equal to the amount of the credit determined for
16 such taxable year under section 45U(a).

17 “(2) SIMILAR RULE WHERE TAXPAYER CAP-
18 ITALIZES RATHER THAN DEDUCTS EXPENSES.—If—

19 “(A) the amount of the credit determined
20 for the taxable year under section 45U(a), ex-
21 ceeds

22 “(B) the amount of allowable as a deduc-
23 tion for such taxable year for mechanical insu-
24 lation labor costs (determined without regard to
25 paragraph (1)),

1 the amount chargeable to capital account for the
2 taxable year for such costs shall be reduced by the
3 amount of such excess.”.

4 (2) The table of sections for subpart D of part
5 IV of subchapter A of chapter 1, as amended by the
6 preceding provisions of this Act, is further amended
7 by adding at the end the following new item:

“Sec. 45U. Labor costs of installing mechanical insulation property.”.

8 (d) EFFECTIVE DATE.—The amendments made by
9 this section shall apply to amounts paid or incurred after
10 December 31, 2019, in taxable years ending after such
11 date.

12 **TITLE VI—ENVIRONMENTAL** 13 **JUSTICE**

14 **SEC. 601. QUALIFIED ENVIRONMENTAL JUSTICE PROGRAM** 15 **CREDIT.**

16 (a) IN GENERAL.—Subpart C of part IV of sub-
17 chapter A of chapter 1 is amended by adding at the end
18 the following new section:

19 **“SEC. 36C. QUALIFIED ENVIRONMENTAL JUSTICE PRO-** 20 **GRAMS.**

21 “(a) ALLOWANCE OF CREDIT.—In the case of an eli-
22 gible educational institution, there shall be allowed as a
23 credit against the tax imposed by this subtitle for any tax-
24 able year an amount equal to the applicable percentage
25 of the amounts paid or incurred by such taxpayer during

1 such taxable year which are necessary for a qualified envi-
2 ronmental justice program.

3 “(b) QUALIFIED ENVIRONMENTAL JUSTICE PRO-
4 GRAM.—For purposes of this section—

5 “(1) IN GENERAL.—The term ‘qualified envi-
6 ronmental justice program’ means a program con-
7 ducted by one or more eligible educational institu-
8 tions that is designed to address, or improve data
9 about, qualified environmental stressors for the pri-
10 mary purpose of improving, or facilitating the im-
11 provement of, health and economic outcomes of indi-
12 viduals residing in low-income areas or areas popu-
13 lated disproportionately by racial or ethnic minori-
14 ties.

15 “(2) QUALIFIED ENVIRONMENTAL STRESSOR.—
16 The term ‘qualified environmental stressor’ means,
17 with respect to an area, a contamination of the air,
18 water, soil, or food with respect to such area or a
19 change relative to historical norms of the weather
20 conditions of such area.

21 “(c) ELIGIBLE EDUCATIONAL INSTITUTION.—For
22 purposes of this section, the term ‘eligible educational in-
23 stitution’ means an institution of higher education (as
24 such term is defined in section 101 or 102(c) of the High-

1 er Education Act of 1965) that is eligible to participate
2 in a program under title IV of such Act.

3 “(d) APPLICABLE PERCENTAGE.—For purposes of
4 this section, the term ‘applicable percentage’ means—

5 “(1) in the case of a program involving material
6 participation of faculty and students of an institu-
7 tion described in section 371(a) of the Higher Edu-
8 cation Act of 1965, 30 percent , and

9 “(2) in all other cases, 20 percent.

10 “(e) CREDIT ALLOCATION.—

11 “(1) ALLOCATION.—

12 “(A) IN GENERAL.—The Secretary shall
13 allocate credit dollar amounts under this section
14 to eligible educational institutions, for qualified
15 environmental justice programs, that—

16 “(i) submit applications at such time
17 and in such manner as the Secretary may
18 provide, and

19 “(ii) are selected by the Secretary
20 under subparagraph (B).

21 “(B) SELECTION CRITERIA.—The Sec-
22 retary, after consultation with the Secretary of
23 Energy, the Secretary of Education, the Sec-
24 retary of Health and Human Services, and the
25 Administrator of the Environmental Protection

1 Agency, shall select applications on the basis of
2 the following criteria:

3 “(i) The extent of participation of fac-
4 ulty and students of an institution de-
5 scribed in section 371(a) of the Higher
6 Education Act of 1965.

7 “(ii) The extent of the expected effect
8 on the health or economic outcomes of in-
9 dividuals residing in areas within the
10 United States that are low-income areas or
11 areas populated disproportionately by ra-
12 cial or ethnic minorities.

13 “(iii) The creation or significant ex-
14 pansion of qualified environmental justice
15 programs.

16 “(2) LIMITATIONS.—

17 “(A) IN GENERAL.—The amount of the
18 credit determined under this section for any
19 taxable year to any eligible educational institu-
20 tion for any qualified environmental justice pro-
21 gram shall not exceed the excess of—

22 “(i) the credit dollar amount allocated
23 to such institution for such program under
24 this subsection, over

1 “(ii) the credits previously claimed by
2 such institution for such program under
3 this section.

4 “(B) FIVE-YEAR LIMITATION.—No
5 amounts paid or incurred after the 5-year pe-
6 riod beginning on the date a credit dollar
7 amount is allocated to an eligible educational
8 institution for a qualified environmental justice
9 program shall be taken into account under sub-
10 section (a) with respect to such institution for
11 such program.

12 “(C) ALLOCATION LIMITATION.—The total
13 amount of credits that may be allocated under
14 the program shall not exceed—

15 “(i) \$1,000,000,000 for each of 2020,
16 2021, 2022, 2023, and 2024, and

17 “(ii) \$0 for each subsequent year.

18 “(f) REQUIREMENTS.—

19 “(1) IN GENERAL.—An eligible educational in-
20 stitution that has been allocated credit dollar
21 amounts under this section for a qualified environ-
22 mental justice project for a taxable year shall—

23 “(A) make publicly available the applica-
24 tion submitted to the Secretary under sub-
25 section (e) with respect to such project, and

1 “(B) submit an annual report to the Sec-
2 retary that describes the amounts paid or in-
3 curred for, and expected impact of, such
4 project.

5 “(2) FAILURE TO COMPLY.—In the case of an
6 eligible education institution that has failed to com-
7 ply with the requirements of this subsection, the
8 credit dollar amount allocated to such institution
9 under this section is deemed to be \$0.

10 “(g) PUBLIC DISCLOSURE.—The Secretary, upon
11 making an allocation of credit dollar amounts under this
12 section, shall publicly disclose—

13 “(1) the identity of the eligible educational in-
14 stitution receiving the allocation, and

15 “(2) the amount of such allocation.”.

16 (b) CONFORMING AMENDMENTS.—

17 (1) Section 6211(b)(4)(A) is amended by insert-
18 ing “36C,” after “36B,”.

19 (2) Paragraph (2) of section 1324(b) of title
20 31, United States Code, is amended by inserting
21 “36C,” after “36B,”.

22 (c) CLERICAL AMENDMENT.—The table of sections
23 for subpart C of part IV of subchapter A of chapter 1
24 is amended by inserting after the item relating to section
25 36B the following new item:

 “Sec. 36C. Qualified environmental justice programs.”.

1 (d) EFFECTIVE DATE.—The amendments made by
2 this subsection shall take effect on the date of the enact-
3 ment of this Act.

4 **TITLE VII—TREASURY REPORT**
5 **ON DATA FROM THE GREEN-**
6 **HOUSE GAS REPORTING PRO-**
7 **GRAM**

8 **SEC. 701. REPORT ON GREENHOUSE GAS REPORTING PRO-**
9 **GRAM.**

10 (a) IN GENERAL.—Not later than 180 days after the
11 date of the enactment of this Act, the Secretary of the
12 Treasury (or the Secretary’s delegate) shall submit a re-
13 port to Congress on the utility of the data from the Green-
14 house Gas Reporting Program for determining the amount
15 of greenhouse gases emitted by each taxpayer for the pur-
16 pose of imposing a fee on such taxpayers with respect to
17 such emissions. Such report shall include a detailed de-
18 scription and analysis of any administrative or other chal-
19 lenges associated with using such data for such purpose.

20 (b) GREENHOUSE GAS REPORTING PROGRAM.—For
21 purposes of this section, the term “Greenhouse Gas Re-
22 porting Program” means the reporting program estab-
23 lished by the Administrator of the Environmental Protec-
24 tion Agency under title II of division F of the Consolidated
25 Appropriations Act, 2008.

1 **TITLE VIII—[REVENUE**
2 **PROVISIONS TO BE PROVIDED]**