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(Original Signature of Member)

116TH CONGRESS
2D SESSION

H. R.

To amend the Internal Revenue Code of 1986 to provide incentives for renewable energy and energy efficiency, 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 provide incentives for renewable energy and energy efficiency, 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 2020” or the “GREEN Act of 2020”.

7 (b) **TABLE OF CONTENTS.**—The table of contents of
8 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.
- Sec. 406. Modification of employer-provided fringe benefits for bicycle commuting.

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.
- Sec. 503. Labor standards for certain energy jobs.

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.

1 (c) AMENDMENT OF 1986 CODE.—Except as other-
2 wise expressly provided, whenever in this Act an amend-
3 ment or repeal is expressed in terms of an amendment
4 to, or repeal of, a section or other provision, the reference
5 shall be considered to be made to a section or other provi-
6 sion of the Internal Revenue Code of 1986.

7 **TITLE I—RENEWABLE ELEC-**
8 **TRICITY AND REDUCING CAR-**
9 **BON EMISSIONS**

10 **SEC. 101. EXTENSION OF CREDIT FOR ELECTRICITY PRO-**
11 **DUCTION FROM CERTAIN RENEWABLE RE-**
12 **SOURCES.**

13 (a) IN GENERAL.—The following provisions of sec-
14 tion 45(d) are each amended by striking “January 1,
15 2021” each place it appears and inserting “January 1,
16 2026”:

17 (1) Paragraph (2)(A).

18 (2) Paragraph (3)(A).

19 (3) Paragraph (6).

20 (4) Paragraph (7).

21 (5) Paragraph (9).

22 (6) Paragraph (11)(B).

23 (b) EXTENSION OF ELECTION TO TREAT QUALIFIED
24 FACILITIES AS ENERGY PROPERTY.—Section

1 48(a)(5)(C)(ii) is amended by striking “January 1, 2021”
2 and inserting “January 1, 2026”.

3 (c) APPLICATION OF EXTENSION TO WIND FACILI-
4 TIES.—

5 (1) IN GENERAL.—Section 45(d)(1) is amended
6 by striking “January 1, 2021” and inserting “Janu-
7 ary 1, 2026”.

8 (2) APPLICATION OF PHASEOUT PERCENT-
9 AGE.—

10 (A) RENEWABLE ELECTRICITY PRODUC-
11 TION CREDIT.—Sections 45(b)(5)(D) is amend-
12 ed by striking “and before January 1, 2021,”.

13 (B) ENERGY CREDIT.—Section
14 48(a)(5)(E)(iv) is amended by striking “and be-
15 fore January 1, 2021,”.

16 (d) EFFECTIVE DATE.—The amendments made by
17 this section shall apply to facilities the construction of
18 which begins after December 31, 2020.

19 **SEC. 102. EXTENSION AND MODIFICATION OF ENERGY**
20 **CREDIT.**

21 (a) EXTENSION OF CREDIT.—The following provi-
22 sions of section 48 are each amended by striking “January
23 1, 2022” each place it appears and inserting “January
24 1, 2027”:

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

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

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

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

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

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

6 (b) PHASEOUT OF CREDIT.—Section 48(a) is amend-
7 ed—

8 (1) by striking “December 31, 2019” in para-
9 graphs (6)(A)(i) and (7)(A)(i) and inserting “De-
10 cember 31, 2025”,

11 (2) by striking “December 31, 2020” in para-
12 graphs (6)(A)(ii) and (7)(A)(ii) and inserting “De-
13 cember 31, 2026”,

14 (3) by striking “January 1, 2021” in para-
15 graphs (6)(A)(i) and (7)(A)(i) and inserting “Janu-
16 ary 1, 2027”,

17 (4) by striking “January 1, 2022” each place
18 it appears in paragraphs (6)(A), (6)(B), and (7)(A)
19 and inserting “January 1, 2028”, and

20 (5) by striking “January 1, 2024” in para-
21 graphs (6)(B) and (7)(B) and inserting “January 1,
22 2030”.

23 (c) 30 PERCENT CREDIT FOR SOLAR AND GEO-
24 THERMAL.—

1 (1) EXTENSION FOR SOLAR.—Section
2 48(a)(2)(A)(i)(II) is amended by striking “January
3 1, 2022” and inserting “January 1, 2028”.

4 (2) APPLICATION TO GEOTHERMAL.—

5 (A) IN GENERAL.—Paragraphs
6 (2)(A)(i)(II), (6)(A), and (6)(B) of section
7 48(a) are each amended by striking “paragraph
8 (3)(A)(i)” and inserting “clause (i) or (iii) of
9 paragraph (3)(A)”.

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

14 (d) ENERGY STORAGE TECHNOLOGIES; WASTE EN-
15 ERGY RECOVERY PROPERTY; QUALIFIED BIOGAS PROP-
16 ERTY.—

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

20 “(viii) energy storage technology,

21 “(ix) waste energy recovery property,

22 or

23 “(x) qualified biogas property.”

24 (2) APPLICATION OF 30 PERCENT CREDIT.—

25 Section 48(a)(2)(A)(i) is amended by striking “and”

1 at the end of subclauses (III) and (IV) and adding
2 at the end the following new subclauses:

3 “(V) energy storage technology,
4 “(VI) waste energy recovery
5 property, and
6 “(VII) qualified biogas property,
7 and”.

8 (3) APPLICATION OF PHASEOUT.—Section
9 48(a)(7) is amended—

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

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

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

20 “(5) ENERGY STORAGE TECHNOLOGY.—

21 “(A) IN GENERAL.—The term ‘energy
22 storage technology’ means equipment (other
23 than equipment primarily used in the transpor-
24 tation of goods or individuals and not for the
25 production of electricity) which —

1 “(i) uses batteries, compressed air,
2 pumped hydropower, hydrogen storage (in-
3 cluding hydrolysis and electrolysis), ther-
4 mal energy storage, regenerative fuel cells,
5 flywheels, capacitors, superconducting
6 magnets, or other technologies identified
7 by the Secretary, after consultation with
8 the Secretary of Energy, to store energy
9 for conversion to electricity and has a ca-
10 pacity of not less than 5 kilowatt hours, or

11 “(ii) stores thermal energy to heat or
12 cool (or provide hot water for use in) a
13 structure (other than for use in a swim-
14 ming pool).

15 “(B) TERMINATION.—The term ‘energy
16 storage technology’ shall not include any prop-
17 erty the construction of which does not begin
18 before January 1, 2028.

19 “(6) WASTE ENERGY RECOVERY PROPERTY.—

20 “(A) IN GENERAL.—The term ‘waste en-
21 ergy recovery property’ means property that
22 generates electricity solely from heat from
23 buildings or equipment if the primary purpose
24 of such building or equipment is not the genera-
25 tion of electricity.

1 “(B) CAPACITY LIMITATION.—The term
2 ‘waste energy recovery property’ shall not in-
3 clude any property which has a capacity in ex-
4 cess of 50 megawatts.

5 “(C) NO DOUBLE BENEFIT.—Any waste
6 energy recovery property (determined without
7 regard to this subparagraph) which is part of a
8 system which is a combined heat and power sys-
9 tem property shall not be treated as waste en-
10 ergy recovery property for purposes of this sec-
11 tion unless the taxpayer elects to not treat such
12 system as a combined heat and power system
13 property for purposes of this section.

14 “(D) TERMINATION.—The term ‘waste en-
15 ergy recovery property’ shall not include any
16 property the construction of which does not
17 begin before January 1, 2028.

18 “(7) QUALIFIED BIOGAS PROPERTY.—

19 “(A) IN GENERAL.—The term ‘qualified
20 biogas property’ means property comprising a
21 system which—

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

24 “(I) consists of not less than 52
25 percent methane, or

1 “(II) is concentrated by such sys-
2 tem into a gas which consists of not
3 less than 52 percent methane, and
4 “(ii) captures such gas for productive
5 use.

6 “(B) INCLUSION OF CLEANING AND CON-
7 DITIONING PROPERTY.—The term ‘qualified
8 biogas property’ includes any property which is
9 part of such system which cleans or conditions
10 such gas.

11 “(C) TERMINATION.—The term ‘qualified
12 biogas property’ shall not include any property
13 the construction of which does not begin before
14 January 1, 2028.”.

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

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

1 (e) FUEL CELLS USING ELECTROMECHANICAL
2 PROCESSES.—

3 (1) IN GENERAL.—Section 48(c)(1) is amend-
4 ed—

5 (A) in subparagraph (A)(i)—

6 (i) by inserting “or electromechanical”
7 after “electrochemical”, and

8 (ii) by inserting “(1 kilowatts in the
9 case of a fuel cell power plant with a linear
10 generator assembly)” after “0.5 kilowatt”,
11 and

12 (B) in subparagraph (C)—

13 (i) by inserting “, or linear generator
14 assembly,” after “a fuel cell stack assem-
15 bly”, and

16 (ii) by inserting “or
17 electromechanical” after “electrochemical”.

18 (2) LINEAR GENERATOR ASSEMBLY LIMITA-
19 TION.—Section 48(c)(1) is amended by redesign-
20 ating subparagraph (D) as subparagraph (E) and
21 by inserting after subparagraph (C) the following
22 new subparagraph:

23 “(D) LINEAR GENERATOR ASSEMBLY.—
24 The term ‘linear generator assembly’ does not

1 include any assembly which contains rotating
2 parts.”.

3 (f) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to periods after December 31,
5 2020, under rules similar to the rules of section 48(m)
6 as in effect on the day before the date of the enactment
7 of the Revenue Reconciliation Act of 1990.

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

10 (a) IN GENERAL.—Section 45Q(d)(1) is amended by
11 striking “January 1, 2024” and inserting “January 1,
12 2026”.

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

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

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

1 **“SEC. 6431. ELECTIVE PAYMENT FOR ENERGY PROPERTY,**
2 **ELECTRICITY PRODUCED FROM CERTAIN RE-**
3 **NEWABLE RESOURCES, ETC, AND CARBON**
4 **OXIDE SEQUESTRATION.**

5 “(a) ENERGY PROPERTY.—In the case of a taxpayer
6 making an election (at such time and in such manner as
7 the Secretary may provide) under this section with respect
8 to any portion of an applicable credit, such taxpayer shall
9 be treated as making a payment against the tax imposed
10 by subtitle A for the taxable year equal to—

11 “(1) in the case of an Indian tribal government,
12 the amount of such portion, and

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

15 “(b) DEFINITIONS AND SPECIAL RULES.—For pur-
16 poses of this section—

17 “(1) GOVERNMENTAL ENTITIES TREATED AS
18 TAXPAYERS.—In the case of an election under this
19 section—

20 “(A) any State or local government, or a
21 political subdivision thereof, or

22 “(B) an Indian tribal government,
23 shall be treated as a taxpayer for purposes of this
24 section and determining any applicable credit.

25 “(2) APPLICABLE CREDIT.—The term ‘applica-
26 ble credit’ means each of the following credits that

1 would (without regard to this section) be determined
2 with respect to the taxpayer:

3 “(A) A energy credit under section 48.

4 “(B) A renewable electricity production
5 credit under section 45.

6 “(C) A carbon oxide sequestration credit
7 under section 45Q.

8 “(3) INDIAN TRIBAL GOVERNMENT.—The term
9 ‘Indian tribal government’ shall have the meaning
10 given such term by section 139E.

11 “(4) TIMING.—The payment described in sub-
12 paragraph (A) shall be treated as made on—

13 “(A) in the case of any government, or po-
14 litical subdivision, to which paragraph (1) ap-
15 plies and for which no return is required under
16 section 6011 or 6033(a), the later of the date
17 that a return would be due under section
18 6033(a) if such government or subdivision were
19 described in that section or the date on which
20 such government or subdivision submits a claim
21 for credit or refund (at such time and in such
22 manner as the Secretary shall provide), and

23 “(B) in any other case, the later of the due
24 date of the return of tax for the taxable year
25 or the date on which such return is filed.

1 “(5) WAIVER OF SPECIAL RULES.—In the case
2 of an election under this section, the determination
3 of any applicable credit shall be without regard to
4 paragraphs (3) and (4)(A)(i) of section 50(b).

5 “(c) EXCLUSION FROM GROSS INCOME.—Gross in-
6 come of the taxpayer shall be determined without regard
7 to this section.

8 “(d) DENIAL OF DOUBLE BENEFIT.—Solely for pur-
9 poses of section 38, in the case of a taxpayer making an
10 election under this section, the energy credit determined
11 under section 45 or the renewable electricity production
12 credit determined under section 48 shall be reduced by
13 the amount of the portion of such credit with respect to
14 which the taxpayer makes such election.”.

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

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

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

21 **SEC. 105. EXTENSION OF ENERGY CREDIT FOR OFFSHORE**
22 **WIND FACILITIES.**

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

1 “(F) QUALIFIED OFFSHORE WIND FACILI-
2 TIES.—

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

5 “(I) subparagraph (C)(ii) shall be
6 applied by substituting ‘January 1 of
7 the applicable year (as determined
8 under subparagraph (F)(ii))’ for ‘Jan-
9 uary 1, 2026’,

10 “(II) subparagraph (E) shall not
11 apply, and

12 “(III) for purposes of this para-
13 graph, section 45(d)(1) shall be ap-
14 plied by substituting ‘January 1 of
15 the applicable year (as determined
16 under section 48(a)(5)(F)(ii))’ for
17 ‘January 1, 2026’.

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

21 “(I) calendar year 2025, or

22 “(II) the calendar year subse-
23 quent to the first calendar year in
24 which the Secretary, after consulta-
25 tion with the Secretary of Energy, de-

1 termines that the United States has
2 increased its offshore wind capacity by
3 not less than 3,000 megawatts as
4 compared to such capacity on January
5 1, 2021.

6 For purposes of subclause (II), the Sec-
7 retary shall not include any increase in off-
8 shore wind capacity which is attributable
9 to any facility the construction of which
10 began before January 1, 2021.

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

22 “(iv) REPORT ON OFFSHORE WIND
23 CAPACITY.—On January 15, 2024, and an-
24 nually thereafter until the calendar year
25 described in clause (ii)(II), the Secretary,

1 after consultation with the Secretary of
2 Energy, shall issue a report to be made
3 available to the public which discloses the
4 increase in the offshore wind capacity of
5 the United States, as measured in total
6 megawatts, since January 1, 2020.”.

7 (b) EFFECTIVE DATE.—The amendment made by
8 this section shall apply to periods after December 31,
9 2016, under rules similar to the rules of section 48(m)
10 of the Internal Revenue Code of 1986 (as in effect on the
11 day before the date of the enactment of the Revenue Rec-
12 onciliation Act of 1990).

13 **SEC. 106. GREEN ENERGY PUBLICLY TRADED PARTNER-**
14 **SHIPS.**

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

17 (1) by striking “income and gains derived from
18 the exploration” and inserting “income and gains
19 derived from—

20 “(i) the exploration”,

21 (2) by inserting “or” before “industrial
22 source”,

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

1 “(ii) the generation of electric power
2 or thermal energy exclusively using any
3 qualified energy resource (as defined in
4 section 45(c)(1)),

5 “(iii) the operation of energy property
6 (as defined in section 48(a)(3), determined
7 without regard to any date by which the
8 construction of the facility is required to
9 begin),

10 “(iv) in the case of a facility described
11 in paragraph (3) or (7) of section 45(d)
12 (determined without regard to any placed
13 in service date or date by which construc-
14 tion of the facility is required to begin),
15 the accepting or processing of open-loop
16 biomass or municipal solid waste,

17 “(v) the storage of electric power or
18 thermal energy exclusively using energy
19 property that is energy storage property
20 (as defined in section 48(c)(5)),

21 “(vi) the generation, storage, or dis-
22 tribution of electric power or thermal en-
23 ergy exclusively using energy property that
24 is combined heat and power system prop-
25 erty (as defined in section 48(c)(3), deter-

1 mined without regard to subparagraph
2 (B)(iii) thereof and without regard to any
3 date by which the construction of the facil-
4 ity is required to begin),

5 “(vii) the transportation or storage of
6 any fuel described in subsection (b), (c),
7 (d), or (e) of section 6426,

8 “(viii) the conversion of renewable bio-
9 mass (as defined in subparagraph (I) of
10 section 211(o)(1) of the Clean Air Act (as
11 in effect on the date of the enactment of
12 this clause)) into renewable fuel (as de-
13 fined in subparagraph (J) of such section
14 as so in effect), or the storage or transpor-
15 tation of such fuel,

16 “(ix) the production, storage, or
17 transportation of any fuel which—

18 “(I) uses as its primary feedstock
19 carbon oxides captured from an an-
20 thropogenic source or the atmosphere,

21 “(II) does not use as its primary
22 feedstock carbon oxide which is delib-
23 erately released from naturally occur-
24 ring subsurface springs, and

1 “(III) is determined by the Sec-
2 retary, after consultation with the
3 Secretary of Energy and the Adminis-
4 trator of the Environmental Protec-
5 tion Agency, to achieve a reduction of
6 not less than a 60 percent in lifecycle
7 greenhouse gas emissions (as defined
8 in section 211(o)(1)(H) of the Clean
9 Air Act, as in effect on the date of the
10 enactment of this clause) compared to
11 baseline lifecycle greenhouse gas emis-
12 sions (as defined in section
13 211(o)(1)(C) of such Act, as so in ef-
14 fect),

15 “(x) the generation of electric power
16 from, a qualifying gasification project (as
17 defined in section 48B(c)(1) without re-
18 gard to subparagraph (C)) that is de-
19 scribed in section 48(d)(1)(B), or

20 “(xi) in the case of a qualified facility
21 (as defined in section 45Q(d), without re-
22 gard to any date by which construction of
23 the facility is required to begin) not less
24 than 50 percent (30 percent in the case of
25 a facility placed in service before January

1 1, 2021) of the total carbon oxide produc-
2 tion of which is qualified carbon oxide (as
3 defined in section 45Q(c))—

4 “(I) the generation, availability
5 for such generation, or storage of elec-
6 tric power at such facility, or

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

9 (b) EFFECTIVE DATE.—The amendments made by
10 this section apply to taxable years beginning after Decem-
11 ber 31, 2020.

12 **TITLE II—RENEWABLE FUELS**

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

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

16 “(g) PHASE OUT; TERMINATION.—

17 “(1) PHASE OUT.—In the case of any sale or
18 use after December 31, 2022, subsections (b)(1)(A)
19 and (b)(2)(A) shall be applied by substituting for
20 ‘\$1.00’—

21 “(A) ‘\$.75’, if such sale or use is before
22 January 1, 2024,

23 “(B) ‘\$.50’, if such sale or use is after De-
24 cember 31, 2023, and before January 1, 2025,
25 and

1 “(C) ‘\$.33’, if such sale or use is after De-
2 cember 31, 2024, and before January 1, 2026.

3 “(2) TERMINATION.—This section shall not
4 apply to any sale or use after December 31, 2025.”.

5 (b) EXCISE TAX INCENTIVES.—

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

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

10 “(A) \$1.00 in the case of any sale or use
11 for any period before January 1, 2023,

12 “(B) \$.75 in the case of any sale or use for
13 any period after December 31, 2022, and before
14 January 1, 2024,

15 “(C) \$.50 in the case of any sale or use for
16 any period after December 31, 2023, and before
17 January 1, 2025, and

18 “(D) \$.33 in the case of any sale or use
19 for any period after December 31, 2024, and
20 before January 1, 2026.”.

21 (2) TERMINATION.—

22 (A) IN GENERAL.—Section 6426(c)(6) is
23 amended by striking “December 31, 2022” and
24 inserting “December 31, 2025”.

1 (B) PAYMENTS.—Section 6427(e)(6)(B) is
2 amended by striking “December 31, 2022” and
3 inserting “December 31, 2025”.

4 (c) EFFECTIVE DATE.—The amendments made by
5 this section shall apply to fuel sold or used after December
6 31, 2022.

7 **SEC. 202. EXTENSION OF EXCISE TAX CREDITS RELATING**
8 **TO ALTERNATIVE FUELS.**

9 (a) EXTENSION AND PHASEOUT OF ALTERNATIVE
10 FUEL CREDIT.—

11 (1) IN GENERAL.—Section 6426(d)(1) is
12 amended by striking “50 cents” and inserting “the
13 applicable amount”.

14 (2) APPLICABLE AMOUNT AND TERMINATION.—
15 Section 6426(d)(5) is amended to read as follows:

16 “(5) PHASEOUT AND TERMINATION.—

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

19 “(i) 50 cents in the case of any sale
20 or use for any period before January 1,
21 2023,

22 “(ii) 38 cents in the case of any sale
23 or use for any period after December 31,
24 2022, and before January 1, 2024,

1 “(iii) 25 cents in the case of any sale
2 or use for any period after December 31,
3 2023, and before January 1, 2025, and

4 “(iv) 17 cents in the case of any sale
5 or use for any period after December 31,
6 2024, and before January 1, 2026.

7 “(B) TERMINATION.—This subsection
8 shall not apply to any sale or use for any period
9 after December 31, 2025.”.

10 (b) ALTERNATIVE FUEL MIXTURE CREDIT.—

11 (1) IN GENERAL.—Section 6426(e)(3) is
12 amended by striking “December 31, 2020” and in-
13 serting “December 31, 2025”.

14 (2) PHASEOUT.—Section 6426(e)(1) is amend-
15 ed by striking “50 cents” and inserting “the applica-
16 ble amount (as defined in subsection (d)(5)(A))”.

17 (c) PAYMENTS FOR ALTERNATIVE FUELS.—Section
18 6427(e)(6)(C) is amended by striking “December 31,
19 2020” and inserting “December 31, 2025”.

20 (d) EFFECTIVE DATE.—The amendments made by
21 this section shall apply to fuel sold or used after December
22 31, 2020.

1 **SEC. 203. EXTENSION OF SECOND GENERATION BIOFUEL**
2 **INCENTIVES.**

3 (a) IN GENERAL.—Section 40(b)(6)(J)(i) is amended
4 by striking “2021” and inserting “2026”.

5 (b) EXTENSION OF SPECIAL ALLOWANCE FOR DE-
6 PRECIATION OF SECOND GENERATION BIOFUEL PLANT
7 PROPERTY.—Section 168(l)(2)(D) is amended by striking
8 “2021” and inserting “2026”.

9 (c) EFFECTIVE DATE.—

10 (1) IN GENERAL.—The amendment made by
11 subsection (a) shall apply to qualified second genera-
12 tion biofuel production after December 31, 2020.

13 (2) SECOND GENERATION BIOFUEL PLANT
14 PROPERTY.—The amendment made by subsection
15 (b) shall apply to property placed in service after
16 December 31, 2020.

17 **TITLE III—GREEN ENERGY AND**
18 **EFFICIENCY INCENTIVES FOR**
19 **INDIVIDUALS**

20 **SEC. 301. EXTENSION, INCREASE, AND MODIFICATIONS OF**
21 **NONBUSINESS ENERGY PROPERTY CREDIT.**

22 (a) EXTENSION OF CREDIT.—Section 25C(g)(2) is
23 amended by striking “December 31, 2020” and inserting
24 “December 31, 2025”.

25 (b) INCREASE IN CREDIT PERCENTAGE FOR QUALI-
26 FIED ENERGY EFFICIENCY IMPROVEMENTS.—Section

1 25C(a)(1) is amended by striking “10 percent” and insert-
2 ing “15 percent”

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

5 (1) by striking “\$500” and inserting “\$1,200”,
6 and

7 (2) by striking “December 31, 2005” and in-
8 serting “December 31, 2020”.

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

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

17 “(A) for components described in sub-
18 section (c)(3)(A), the excess (if any) of \$600
19 over the aggregate credits allowed under this
20 section with respect to such components for all
21 prior taxable years ending after December 31,
22 2020,

23 “(B) for components described in sub-
24 section (c)(3)(B),

1 “(i) in the case of components which
2 are not described in clause (ii), the excess
3 (if any) of \$200 over the aggregate credits
4 allowed under this section with respect to
5 such components for all prior taxable years
6 ending after December 31, 2020, and

7 “(ii) in the case of components which
8 meet the standards for most efficient cer-
9 tification under applicable Energy Star
10 program requirements, the excess (if any)
11 of \$600 over the aggregate credits allowed
12 under this section with respect to such
13 components for all prior taxable years end-
14 ing after December 31, 2020, or with re-
15 spect to components described in clause (i)
16 for such taxable year,

17 “(C) for components described in sub-
18 section (c)(3)(C) by any taxpayer for any tax-
19 able year, the credit allowed under this section
20 with respect to such amounts for such year
21 shall not exceed the lesser of—

22 “(i) the excess (if any) of \$500 over
23 the aggregate credits allowed under this
24 section with respect to such amounts for

1 all prior taxable years ending after Decem-
2 ber 31, 2020, or

3 “(ii) \$250 for each exterior door.

4 “(3) LIMITATION ON RESIDENTIAL ENERGY
5 PROPERTY EXPENDITURES.—The credit allowed
6 under this section by reason of subsection (a)(2)
7 shall not, with respect to an item of property, ex-
8 ceed—

9 “(A) in the case of property described in
10 subparagraph (A), (B), or (C) of subsection
11 (d)(3), \$600, and

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

15 “(C) in the case of a hot water boiler,
16 \$600, and

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

19 “(i) \$300, plus

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

23 (e) STANDARDS FOR ENERGY EFFICIENT BUILDING
24 ENVELOPE COMPONENTS.—Section 25C(c)(2) is amended

1 by striking “meets—” and all that follows through the pe-
2 riod at the end and inserting the following: “meets—

3 “(A) in the case of an exterior window, a
4 skylight, or an exterior door, applicable Energy
5 Star program requirements, and

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

10 (f) ROOFS NOT BUILDING ENVELOPE COMPO-
11 NENTS.—Section 25C(c)(3) is amended by adding “and”
12 at the end of subparagraph (B), by striking “, and” at
13 the end of subparagraph (C) and inserting a period, and
14 by striking subparagraph (D).

15 (g) ADVANCED MAIN AIR CIRCULATING FANS NOT
16 QUALIFIED ENERGY PROPERTY.—

17 (1) IN GENERAL.—Section 25C(d)(2)(A) is
18 amended by adding “or” at the end of clause (i), by
19 striking “, or” at the end of clause (ii) and inserting
20 a period, and by striking clause (iii).

21 (2) CONFORMING AMENDMENT.—Section
22 25C(d) is amended by striking paragraph (5) and
23 redesignating paragraph (6) as paragraph (5).

24 (h) INCREASE IN STANDARD FOR ELECTRIC HEAT
25 PUMP WATER HEATER.—Section 25C(d)(3)(A) is amend-

1 ed by striking “an energy factor of at least 2.0” and in-
2 serting “a uniform energy factor of at least 3.0”.

3 (i) UPDATE OF STANDARDS FOR CERTAIN ENERGY-
4 EFFICIENT BUILDING PROPERTY.—Section 25C(d)(3) is
5 amended—

6 (1) by striking “January 1, 2009” each place
7 such term appears and inserting “November 1,
8 2019”, and

9 (2) by striking subparagraph (D) and inserting
10 the following:

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

14 “(i) in the case of a storage tank
15 water heater—

16 “(I) in the case of a medium-
17 draw water heater, a uniform energy
18 factor of not less than 0.78, and

19 “(II) in the case of a high-draw
20 water heater, a uniform energy factor
21 of not less than 0.80, and

22 “(ii) in the case of a tankless water
23 heater—

1 “(I) in the case of a medium-
2 draw water heater, a uniform energy
3 factor of not less than 0.87, and

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

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

11 “(A) in the case of a furnace, 97 percent,
12 and

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

15 (k) HOME ENERGY AUDITS.—

16 (1) IN GENERAL.—Section 25C(a) is amended
17 by striking “and” at the end of paragraph (1), by
18 striking the period at the end of paragraph (2) and
19 inserting “, and”, and by adding at the end the fol-
20 lowing new paragraph:

21 “(3) 30 percent of the amount paid or incurred
22 by the taxpayer during the taxable year for home en-
23 ergy audits.”.

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

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

4 (3) HOME ENERGY AUDITS.—Section 25C, as
5 amended by subsections (a), is amended by redesignig-
6 nating subsections (e), (f), and (g), as subsections
7 (f), (g), and (h), respectively, and by inserting after
8 subsection (d) the following new subsection:

9 “(e) HOME ENERGY AUDITS.—For purposes of this
10 section, the term ‘home energy audit’ means an inspection
11 and written report with respect to a dwelling unit located
12 in the United States and owned or used by the taxpayer
13 as the taxpayer’s principal residence (within the meaning
14 of section 121) which—

15 “(1) identifies the most significant and cost-ef-
16 fective energy efficiency improvements with respect
17 to such dwelling unit, including an estimate of the
18 energy and cost savings with respect to each such
19 improvement, and

20 “(2) is conducted and prepared by a home en-
21 ergy auditor that meets the certification or other re-
22 quirements specified by the Secretary (after con-
23 sultation with the Secretary of Energy, and not later
24 than 180 days after the date of the enactment of
25 this subsection) in regulations or other guidance.”.

1 (4) CONFORMING AMENDMENT.—Section
2 1016(a)(33) is amended by striking “section 25C(f)”
3 and inserting “section 25C(g)”.

4 (l) EFFECTIVE DATES.—

5 (1) INCREASE AND MODERNIZATION.—Except
6 as otherwise provided by this subsection, the amend-
7 ments made by this section shall apply to property
8 placed in service after December 31, 2020.

9 (2) EXTENSION.—The amendments made by
10 subsection (a) shall apply to property placed in serv-
11 ice after December 31, 2020.

12 (3) HOME ENERGY AUDITS.—The amendments
13 made by subsection (k) shall apply to amounts paid
14 or incurred after December 31, 2020.

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

16 (a) EXTENSION OF CREDIT.—

17 (1) IN GENERAL.—Section 25D(h) is amended
18 by striking “December 31, 2021” and inserting
19 “December 31, 2027”.

20 (2) APPLICATION OF PHASEOUT.—Section
21 25D(g) is amended—

22 (A) in paragraph (1), by striking “January
23 1, 2020” and inserting “January 1, 2026”,

24 (B) in paragraph (2)—

1 (i) by striking “December 31, 2019”
2 and inserting “December 31, 2025”, and

3 (ii) by striking “January 1, 2021”
4 and inserting “January 1, 2027”, and

5 (C) in paragraph (3)—

6 (i) by striking “December 31, 2020”
7 and inserting “December 31, 2026”, and

8 (ii) by striking “January 1, 2022”
9 and inserting “January 1, 2028”.

10 (b) QUALIFIED BIOMASS FUEL PROPERTY EXPENDI-
11 TURES; RESIDENTIAL ENERGY EFFICIENT PROPERTY
12 CREDIT FOR BATTERY STORAGE TECHNOLOGY.—

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

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

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

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

1 “(6) QUALIFIED BIOMASS FUEL PROPERTY EX-
2 PENDITURE.—

3 “(A) IN GENERAL.—The term ‘qualified
4 biomass fuel property expenditure’ means an
5 expenditure for property—

6 “(i) which uses the burning of bio-
7 mass fuel to heat a dwelling unit located in
8 the United States and used as a residence
9 by the taxpayer, or to heat water for use
10 in such a dwelling unit, and

11 “(ii) which has a thermal efficiency
12 rating of at least 75 percent (measured by
13 the higher heating value of the fuel).

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

18 “(7) QUALIFIED BATTERY STORAGE TECH-
19 NOLOGY EXPENDITURE.—The term ‘qualified bat-
20 tery storage technology expenditure’ means an ex-
21 penditure for battery storage technology which—

22 “(A) is installed in connection with a
23 dwelling unit located in the United States and
24 used as a residence by the taxpayer, and

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

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

5 (A) IN GENERAL.—Section 25C(d)(3) is
6 amended by adding “and” at the end of sub-
7 paragraph (C), by striking “, and” at the end
8 of subparagraph (D) and inserting a period,
9 and by striking subparagraph (E).

10 (B) CONFORMING AMENDMENT.—Section
11 25C(d), as amended by the preceding provisions
12 of this Act, is amended by striking paragraph
13 (5).

14 (c) EFFECTIVE DATE.—The amendments made by
15 this section shall apply to expenditures made after the
16 date of the enactment of this Act.

17 **SEC. 303. ENERGY EFFICIENT COMMERCIAL BUILDINGS DE-**
18 **DUCTION.**

19 (a) EXTENSION.—Section 179D(h) is amended by
20 striking “December 31, 2020” and inserting “December
21 31, 2025”.

22 (b) INCREASE IN THE MAXIMUM AMOUNT OF DE-
23 DUCTION.—

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

1 (2) INFLATION ADJUSTMENT.—Section 179D,
2 as amended by subsection (a), is amended by redese-
3 ignating subsection (h) as subsection (i) and by in-
4 serting after subsection (g) the following new sub-
5 section:

6 “(h) INFLATION ADJUSTMENT.—In the case of a tax-
7 able year beginning after 2020, each dollar amount in sub-
8 section (b) or subsection (d)(1)(A) shall be increased by
9 an amount equal to—

10 “(1) such dollar amount, multiplied by

11 “(2) the cost-of-living adjustment determined
12 under section 1(f)(3) for the calendar year in which
13 the taxable year begins, determined by substituting
14 ‘calendar year 2019’ for ‘calendar year 2016’ in sub-
15 paragraph (A)(ii) thereof.”.

16 (3) CONFORMING AMENDMENT.—Section
17 179D(d)(1)(A) is amended by striking “by sub-
18 stituting ‘\$.60’ for ‘\$1.80’” and inserting “by sub-
19 stituting ‘\$1’ for ‘\$3’”.

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

24 (d) UPDATE OF STANDARDS.—

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

3 (A) in paragraphs (1)(B)(ii) and (1)(D),
4 by striking “Standard 90.1–2007” and insert-
5 ing “Reference Standard 90.1”, and

6 (B) by amending paragraph (2) to read as
7 follows:

8 “(2) REFERENCE STANDARD 90.1.—The term
9 ‘Reference Standard 90.1’ means, with respect to
10 property, the Standard 90.1 most recently adopted
11 (as of the date that is 2 years before the date that
12 construction of such property begins) by the Amer-
13 ican Society of Heating, Refrigerating, and Air Con-
14 ditioning Engineers and the Illuminating Engineer-
15 ing Society of North America.”.

16 (2) CALIFORNIA NONRESIDENTIAL ALTER-
17 NATIVE CALCULATION METHOD APPROVAL MAN-
18 UAL.—Section 179D(d)(2) is amended by striking
19 “2005” and inserting “2019”.

20 (e) CHANGE IN EFFICIENCY STANDARDS.—Section
21 179D(c)(1)(D) is amended by striking “50” and inserting
22 “30”.

23 (f) DEADWOOD.—Section 179D, as amended by sub-
24 sections (a) and (b), is amended by striking subsection (f)

1 and redesignating subsections (g), (h), and (i) as sub-
2 sections (f), (g), and (h), respectively.

3 (g) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to property placed in service after
5 December 31, 2020.

6 **SEC. 304. EXTENSION, INCREASE, AND MODIFICATIONS OF**
7 **NEW ENERGY EFFICIENT HOME CREDIT.**

8 (a) EXTENSION OF CREDIT.—Section 45L(g) is
9 amended by striking “December 31, 2020” and inserting
10 “December 31, 2025”.

11 (b) INCREASE IN CREDIT FOR CERTAIN DWELLING
12 UNITS.—Section 45L(a)(2)(A) is amended by striking
13 “\$2,000” and inserting “\$2,500”.

14 (c) INCREASE IN STANDARD FOR HEATING AND
15 COOLING REDUCTION FOR CERTAIN UNITS.—Section
16 45L(c)(1) is amended by striking “50 percent” each place
17 such term appears and inserting “60 percent”.

18 (d) ENERGY SAVING REQUIREMENTS MODIFICA-
19 TIONS.—

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

24 “(3) a unit which meets the requirements estab-
25 lished by the Administrator of the Environmental

1 Protection Agency under the Energy Star Labeled
2 Homes program and, in the case of a manufactured
3 home, which conforms to Federal Manufactured
4 Home Construction and Safety Standards (part
5 3280 of title 24, Code of Federal Regulations).”.

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

13 “(4) certified—

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

18 “(i) which is constructed in accord-
19 ance with the standards of chapter 4 of the
20 2018 IECC (without taking into account
21 on-site energy generation), and

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

1 “(B) to have building envelope component
2 improvements account for at least 1/5 of such
3 15 percent.”.

4 (3) CONFORMING AMENDMENTS.—

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

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

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

11 “(5) 2018 IECC.—The term ‘2018 IECC’
12 means the 2018 International Energy Conservation
13 Code, as such Code (including supplements) is in ef-
14 fect on November 1, 2018.”.

15 (e) EFFECTIVE DATES.—The amendments made by
16 this section shall apply to dwelling units acquired after
17 December 31, 2020.

18 **SEC. 305. MODIFICATIONS TO INCOME EXCLUSION FOR**

19 **CONSERVATION SUBSIDIES.**

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

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

23 “(1) provided”,

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

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

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

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

13 “(4) provided (directly or indirectly) by a State
14 or local government to a resident of such State or
15 locality for the purchase or installation of any waste-
16 water management measure, but only if such meas-
17 ure is with respect to the taxpayer’s principal resi-
18 dence.”.

19 (b) CONFORMING AMENDMENTS.—

20 (1) DEFINITION OF WATER CONSERVATION OR
21 EFFICIENCY MEASURE AND STORM WATER MANAGE-
22 MENT MEASURE.—Section 136(c) is amended—

23 (A) by striking “ENERGY CONSERVATION
24 MEASURE” in the heading thereof and inserting
25 “DEFINITIONS”,

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

4 (C) by redesignating paragraph (2) as
5 paragraph (5) and by inserting after paragraph
6 (1) the following:

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

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

21 “(4) WASTEWATER MANAGEMENT MEASURE.—
22 For purposes of this section, the term ‘wastewater
23 management measure’ means any installation or
24 modification of property primarily designed to man-

1 age wastewater (including septic tanks and cess-
2 pools) with respect to one or more dwelling units.”.

3 (2) DEFINITION OF PUBLIC UTILITY.—Section
4 136(c)(5) (as redesignated by paragraph (1)(C)) is
5 amended by striking subparagraph (B) and inserting
6 the following:

7 “(B) PUBLIC UTILITY.—The term ‘public
8 utility’ means a person engaged in the sale of
9 electricity, natural gas, or water to residential,
10 commercial, or industrial customers for use by
11 such customers.

12 “(C) STORM WATER MANAGEMENT PRO-
13 VIDER.—The term ‘storm water management
14 provider’ means a person engaged in the provi-
15 sion of storm water management measures to
16 the public.

17 “(D) PERSON.—For purposes of subpara-
18 graphs (B) and (C), the term ‘person’ includes
19 the Federal Government, a State or local gov-
20 ernment or any political subdivision thereof, or
21 any instrumentality of any of the foregoing.”.

22 (3) CLERICAL AMENDMENTS.—

23 (A) The heading for section 136 is amend-
24 ed—

1 (i) by inserting “**AND WATER**” after
2 “**ENERGY**”, and

3 (ii) by striking “**PROVIDED BY PUB-**
4 **LIC UTILITIES**”.

5 (B) The item relating to section 136 in the
6 table of sections of part III of subchapter B of
7 chapter 1 is amended—

8 (i) by inserting “and water” after
9 “energy”, and

10 (ii) by striking “provided by public
11 utilities”.

12 (c) EFFECTIVE DATE.—The amendments made by
13 this section shall apply to amounts received after Decem-
14 ber 31, 2018.

15 (d) NO INFERENCE.—Nothing in this Act or the
16 amendments made by this Act shall be construed to create
17 any inference with respect to the proper tax treatment of
18 any subsidy received directly or indirectly from a public
19 utility, a storm water management provider, or a State
20 or local government for any water conservation measure
21 or storm water management measure before January 1,
22 2021.

1 **TITLE IV—GREENING THE**
2 **FLEET AND ALTERNATIVE VE-**
3 **HICLES**

4 **SEC. 401. MODIFICATION OF LIMITATIONS ON NEW QUALI-**
5 **FIED PLUG-IN ELECTRIC DRIVE MOTOR VEHI-**
6 **CLE CREDIT.**

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

9 “(e) LIMITATION ON NUMBER OF NEW QUALIFIED
10 PLUG-IN ELECTRIC DRIVE MOTOR VEHICLES ELIGIBLE
11 FOR CREDIT.—

12 “(1) IN GENERAL.—In the case of any new
13 qualified plug-in electric drive motor vehicle sold
14 after the date of the enactment of the GREEN Act
15 of 2020—

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

19 “(B) if such vehicle is sold during the
20 phaseout period, only the applicable percentage
21 of the credit otherwise allowable under sub-
22 section (a) shall be allowed.

23 “(2) TRANSITION PERIOD.—For purposes of
24 this subsection, the transition period is the period
25 subsequent to the first date on which the number of

1 new qualified plug-in electric drive motor vehicles
2 manufactured by the manufacturer of the vehicle re-
3 ferred to in paragraph (1) sold for use in the United
4 States after December 31, 2009, is at least 200,000.

5 “(3) PHASEOUT PERIOD.—

6 “(A) IN GENERAL.—For purposes of this
7 subsection, the phaseout period is the period be-
8 ginning with the second calendar quarter fol-
9 lowing the calendar quarter which includes the
10 first date on which the number of new qualified
11 plug-in electric drive motor vehicles manufac-
12 tured by the manufacturer of the vehicle re-
13 ferred to in paragraph (1) sold for use in the
14 United States after December 31, 2009, is at
15 least 600,000.

16 “(B) APPLICABLE PERCENTAGE.—For
17 purposes of paragraph (1)(B), the applicable
18 percentage is—

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

21 “(ii) 0 percent for each calendar quar-
22 ter thereafter.

23 “(C) EXCLUSION OF SALE OF CERTAIN VE-
24 HICLES.—

1 “(i) IN GENERAL.—For purposes of
2 subparagraph (A), any new qualified plug-
3 in electric drive motor vehicle manufac-
4 tured by the manufacturer of the vehicle
5 referred to in paragraph (1) which was
6 sold during the exclusion period shall not
7 be included for purposes of determining
8 the number of such vehicles sold.

9 “(ii) EXCLUSION PERIOD.—For pur-
10 poses of this subparagraph, the exclusion
11 period is the period—

12 “(I) beginning on the first date
13 on which the number of new qualified
14 plug-in electric drive motor vehicles
15 manufactured by the manufacturer of
16 the vehicle referred to in paragraph
17 (1) sold for use in the United States
18 after December 31, 2009, is at least
19 200,000, and

20 “(II) ending on the date of the
21 enactment of the GREEN Act of
22 2020.

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

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

4 “(E) is acquired after December 31, 2020,
5 and before January 1, 2026.”.

6 (c) EFFECTIVE DATE.—

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

10 (2) EXTENSION.—The amendment made by
11 subsection (b) shall apply to vehicles sold after De-
12 cember 31, 2020.

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

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

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

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

1 “(1) \$1,250, plus

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

6 “(A) \$1,250, and

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

9 “(b) LIMITATIONS.—

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

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

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

21 “(1) PREVIOUSLY-OWNED QUALIFIED PLUG-IN
22 ELECTRIC DRIVE MOTOR VEHICLE.—The term ‘pre-
23 viously-owned qualified plug-in electric drive motor
24 vehicle’ means, with respect to a taxpayer, a motor
25 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, 2025.”.

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. 45U. 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, 2025.”.

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

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

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. 45U. 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, 2020” and inserting “December
16 31, 2025”.

17 (b) EFFECTIVE DATE.—The amendment made by
18 this section shall apply to property placed in service after
19 December 31, 2020.

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

22 (a) IN GENERAL.—Section 30C(g) is amended by
23 striking “December 31, 2020” and inserting “December
24 31, 2025”.

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 “\$3,333.33”.

11 (c) EFFECTIVE DATE.—The amendment made by
12 this section shall apply to property placed in service after
13 December 31, 2020.

14 **SEC. 406. MODIFICATION OF EMPLOYER-PROVIDED FRINGE**
15 **BENEFITS FOR BICYCLE COMMUTING.**

16 (a) REPEAL OF SUSPENSION OF EXCLUSION FOR
17 QUALIFIED BICYCLE COMMUTING REIMBURSEMENT.—
18 Section 132(f) is amended by striking paragraph (8).

19 (b) COMMUTING FRINGE INCLUDES BIKESHARE.—

20 (1) IN GENERAL.—Clause (i) of section
21 132(f)(5)(F) is amended by striking “a bicycle” and
22 all that follows and inserting “bikeshare, a bicycle,
23 and bicycle improvements, repair, and storage, if the
24 employee regularly uses such bikeshare or bicycle for
25 travel between the employee’s residence and place of

1 employment or mass transit facility that connects an
2 employee to their place of employment.”.

3 (2) BIKESHARE.—Section 132(f)(5)(F) is
4 amended by adding at the end the following:

5 “(iv) BIKESHARE.—The term
6 ‘bikeshare’ means a bicycle rental oper-
7 ation at which bicycles are made available
8 to customers to pick up and drop off for
9 point-to-point use within a defined geo-
10 graphic area.”.

11 (c) LOW-SPEED ELECTRIC BICYCLES.—Section
12 132(f)(5)(F), as amended by subsection (b)(2), is amend-
13 ed by adding at the end the following:

14 “(v) LOW-SPEED ELECTRIC BICY-
15 CLES.—The term ‘bicycle’ includes a two-
16 or three-wheeled vehicle with fully operable
17 pedals and an electric motor of less than
18 750 watts (1 h.p.), whose maximum speed
19 on a paved level surface, when powered
20 solely by such a motor while ridden by an
21 operator who weighs 170 pounds, is less
22 than 20 mph.”.

23 (d) MODIFICATION RELATING TO BICYCLE COM-
24 MUTING MONTH.—Clause (iii) of section 132(f)(5)(F) is
25 amended to read as follows:

1 “(iii) QUALIFIED BICYCLE COM-
2 MUTING MONTH.—The term ‘qualified bi-
3 cycle commuting month’ means, with re-
4 spect to any employee, any month during
5 which such employee regularly uses a bicy-
6 cle for a portion of the travel between the
7 employee’s residence and place of employ-
8 ment.”.

9 (e) LIMITATION ON EXCLUSION.—

10 (1) IN GENERAL.—Subparagraph (C) of section
11 132(f)(2) is amended by striking “applicable annual
12 limitation” and inserting “applicable monthly limita-
13 tion”.

14 (2) APPLICABLE MONTHLY LIMITATION DE-
15 FINED.—Clause (ii) of section 132(f)(5)(F) is
16 amended to read as follows:

17 “(ii) APPLICABLE MONTHLY LIMITA-
18 TION.—The term ‘applicable monthly limi-
19 tation’, with respect to any employee for
20 any month, means an amount equal to 20
21 percent of the dollar amount in effect for
22 the month under paragraph (2)(B).”.

23 (3) AGGREGATE LIMITATION.—Subparagraph
24 (B) of section 132(f)(2) is amended by inserting

1 “and the applicable monthly limitation in the case of
2 any qualified bicycle commuting benefit”.

3 (f) NO CONSTRUCTIVE RECEIPT.—Paragraph (4) of
4 section 132(f) is amended by striking “(other than a quali-
5 fied bicycle commuting reimbursement)”.

6 (g) CONFORMING AMENDMENTS.—Paragraphs
7 (1)(D), (2)(C), and (5)(F) of section 132(f) are each
8 amended by striking “reimbursement” each place it ap-
9 pears and inserting “benefit”.

10 (h) EFFECTIVE DATE.—The amendments made by
11 this section shall apply to taxable years beginning after
12 December 31, 2020.

13 **TITLE V—INVESTMENT IN THE**
14 **GREEN WORKFORCE**

15 **SEC. 501. EXTENSION OF THE ADVANCED ENERGY**
16 **PROJECT CREDIT.**

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

20 “(e) ADDITIONAL ALLOCATIONS.—

21 “(1) IN GENERAL.—Not later than 180 days
22 after the date of enactment of this paragraph, the
23 Secretary, after consultation with the Secretary of
24 Energy, shall establish a program to designate

1 amounts of qualifying advanced project credit limita-
2 tion to qualifying advanced energy projects.

3 “(2) ANNUAL LIMITATION.—

4 “(A) IN GENERAL.—The amount of quali-
5 fying advanced project credit limitation that
6 may be designated under this subsection during
7 any calendar year shall not exceed the annual
8 credit limitation with respect to such year.

9 “(B) ANNUAL CREDIT LIMITATION.—For
10 purposes of this subsection, the term ‘annual
11 credit limitation’ means \$2,500,000,000 for
12 each of calendar years 2021, 2022, 2023, 2024,
13 and 2025, and zero thereafter.

14 “(C) CARRYOVER OF UNUSED LIMITA-
15 TION.—If the annual credit limitation for any
16 calendar year exceeds the aggregate amount
17 designated for such year under this subsection,
18 such limitation for the succeeding calendar year
19 shall be increased by the amount of such excess.
20 No amount may be carried under the preceding
21 sentence to any calendar year after 2025.

22 “(3) PLACED IN SERVICE DEADLINE.—No cred-
23 it shall be determined under subsection (a) with re-
24 spect to any property which is placed in service after
25 the date that is 4 years after the date of the des-

1 ignation under this subsection relating to such prop-
2 erty.

3 “(4) SELECTION CRITERIA.—Selection criteria
4 similar to those in subsection (d)(3) shall apply, ex-
5 cept that in determining designations under this
6 subsection, the Secretary, after consultation with the
7 Secretary of Energy, shall—

8 “(A) require that applicants provide writ-
9 ten assurances to the Secretary that all laborers
10 and mechanics employed by contractors and
11 subcontractors in the performance of construc-
12 tion, alteration or repair work on a qualifying
13 advanced energy project shall be paid wages at
14 rates not less than those prevailing on projects
15 of a similar character in the locality as deter-
16 mined by the Secretary of Labor in accordance
17 with subchapter IV of chapter 31 of title 40,
18 United States Code, and

19 “(B) give the highest priority to projects
20 which—

21 “(i) manufacture (other than pri-
22 marily assembly of components) property
23 described in a subclause of subsection
24 (c)(1)(A)(i) (or components thereof), and

1 “(ii) have the greatest potential for
2 commercial deployment of new applica-
3 tions.

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

7 (b) CLARIFICATION WITH RESPECT TO
8 ELECTROCHROMATIC GLASS.—Section
9 48C(e)(1)((A)(i)(V) is amended—

10 (1) by striking “and smart grid” and inserting
11 “, smart grid”, and

12 (2) by inserting “, and electrochromatic glass”
13 before the comma at the end.

14 (c) EFFECTIVE DATE.—The amendment made by
15 this section shall take effect on the date of the enactment
16 of this Act.

17 (d) PROGRESS REPORT.—During the 30-day period
18 ending on December 31, 2025, the Secretary of the Treas-
19 ury (or the Secretary’s delegate), after consultation with
20 the Secretary of Labor, shall submit a report to Congress
21 on the domestic job creation, wages associated with such
22 jobs, and the amount of such wages paid as described in
23 section 48C(e)(4)(B) of the Internal Revenue Code of
24 1986, attributable to the amendment made by this section.

1 **SEC. 502. LABOR COSTS OF INSTALLING MECHANICAL IN-**
2 **SULATION PROPERTY.**

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

7 **“SEC. 45V. LABOR COSTS OF INSTALLING MECHANICAL IN-**
8 **SULATION PROPERTY.**

9 “(a) IN GENERAL.—For purposes of section 38, the
10 mechanical insulation labor costs credit determined under
11 this section for any taxable year is an amount equal to
12 10 percent of the mechanical insulation labor costs paid
13 or incurred by the taxpayer during such taxable year.

14 “(b) MECHANICAL INSULATION LABOR COSTS.—For
15 purposes of this section—

16 “(1) IN GENERAL.—The term ‘mechanical insu-
17 lation labor costs’ means the labor cost of installing
18 mechanical insulation property with respect to a me-
19 chanical system referred to in paragraph (2)(A)
20 which was originally placed in service not less than
21 1 year before the date on which such mechanical in-
22 sulation property is installed.

23 “(2) MECHANICAL INSULATION PROPERTY.—
24 The term ‘mechanical insulation property’ means in-
25 sulation materials, and facings and accessory prod-

1 ucts installed in connection to such insulation mate-
2 rials—

3 “(A) placed in service in connection with a
4 mechanical system which—

5 “(i) is located in the United States,
6 and

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

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

15 “(c) TERMINATION.—This section shall not apply to
16 mechanical insulation labor costs paid or incurred after
17 December 31, 2025.”.

18 (b) CREDIT ALLOWED AS PART OF GENERAL BUSI-
19 NESS CREDIT.—Section 38(b), as amended by the pre-
20 ceding provisions of this Act, is further amended by strik-
21 ing “plus” at the end of paragraph (33), by striking the
22 period at the end of paragraph (34) and inserting “, plus”,
23 and by adding at the end the following new paragraph:

24 “(35) the mechanical insulation labor costs
25 credit determined under section 45V(a).”.

1 (c) CONFORMING AMENDMENTS.—

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

4 “(i) MECHANICAL INSULATION LABOR COSTS CRED-
5 IT.—

6 “(1) IN GENERAL.—No deduction shall be al-
7 lowed for that portion of the mechanical insulation
8 labor costs (as defined in section 45V(b)) otherwise
9 allowable as deduction for the taxable year which is
10 equal to the amount of the credit determined for
11 such taxable year under section 45V(a).

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

14 “(A) the amount of the credit determined
15 for the taxable year under section 45V(a), ex-
16 ceeds

17 “(B) the amount of allowable as a deduc-
18 tion for such taxable year for mechanical insu-
19 lation labor costs (determined without regard to
20 paragraph (1)),

21 the amount chargeable to capital account for the
22 taxable year for such costs shall be reduced by the
23 amount of such excess.”.

24 (2) The table of sections for subpart D of part
25 IV of subchapter A of chapter 1, as amended by the

1 preceding provisions of this Act, is further amended
2 by adding at the end the following new item:

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

3 (d) **EFFECTIVE DATE.**—The amendments made by
4 this section shall apply to amounts paid or incurred after
5 December 31, 2020, in taxable years ending after such
6 date.

7 **SEC. 503. LABOR STANDARDS FOR CERTAIN ENERGY JOBS.**

8 (a) **DEPARTMENT OF LABOR CERTIFICATION OF**
9 **QUALIFIED ENTITIES.**—

10 (1) **DEFINITIONS.**—In this subsection—

11 (A) **APPLICABLE CONSTRUCTION**
12 **PROJECT.**—The term “applicable construction
13 project” means, with respect to any entity—

14 (i) the construction of any dwelling
15 unit referred to in section 45L(a)(3) of the
16 Internal Revenue Code of 1986,

17 (ii) the installation of any qualified
18 energy property described in section
19 48D(a)(1) of such Code,

20 (iii) the installation of any qualified
21 property referred to in paragraph (2) of
22 section 48D(a) of such Code as part of the
23 construction of any qualified investment
24 credit facility described in such paragraph,
25 and

1 (iv) the installation of any energy effi-
2 cient commercial building property (as de-
3 fined in section 179D(c)(1) of such Code).

4 (B) COVERED PROJECT LABOR AGREE-
5 MENT.—The term “covered project labor agree-
6 ment” means a project labor agreement that—

7 (i) binds all contractors and sub-
8 contractors on the construction project
9 through the inclusion of appropriate speci-
10 fications in all relevant solicitation provi-
11 sions and contract documents,

12 (ii) allows all contractors and sub-
13 contractors to compete for contracts and
14 subcontracts without regard to whether
15 they are otherwise a party to a collective
16 bargaining agreement,

17 (iii) contains guarantees against
18 strikes, lockouts, and other similar job dis-
19 ruptions,

20 (iv) sets forth effective, prompt, and
21 mutually binding procedures for resolving
22 labor disputes arising during the covered
23 project labor agreement, and

24 (v) provides other mechanisms for
25 labor-management cooperation on matters

1 of mutual interest and concern, including
2 productivity, quality of work, safety, and
3 health.

4 (C) PROJECT LABOR AGREEMENT.—The
5 term “project labor agreement” means a pre-
6 hire collective bargaining agreement with one or
7 more labor organizations that establishes the
8 terms and conditions of employment for a spe-
9 cific construction project and is described in
10 section 8(f) of the National Labor Relations
11 Act (29 U.S.C. 158(f)).

12 (D) QUALIFIED ENTITY.—The term
13 “qualified entity” means an entity that the Sec-
14 retary of Labor certifies as a qualified entity in
15 accordance with paragraph (2).

16 (E) REGISTERED APPRENTICESHIP PRO-
17 GRAM.—The term “registered apprenticeship
18 program” means an apprenticeship program
19 registered and certified with the Secretary of
20 Labor under section 1 of the National Appren-
21 ticeship Act (29 U.S.C. 50).

22 (2) CERTIFICATION OF QUALIFIED ENTITIES.—

23 (A) IN GENERAL.—The Secretary of Labor
24 shall establish a process for certifying entities
25 that submit an application under subparagraph

1 (B) as qualified entities with respect to applica-
2 ble construction projects for purposes of the
3 amendments made by subsections (b), (c), and
4 (d).

5 (B) APPLICATION PROCESS.—

6 (i) IN GENERAL.—An entity seeking
7 certification as a qualified entity under this
8 paragraph shall submit an application to
9 the Secretary of Labor at such time, in
10 such manner, and containing such infor-
11 mation as the Secretary may reasonably
12 require, including information to dem-
13 onstrate compliance with the requirements
14 under subparagraph (C).

15 (ii) REQUESTS FOR ADDITIONAL IN-
16 FORMATION.—Not later than 1 year after
17 receiving an application from an entity
18 under clause (i)—

19 (I) the Secretary of Labor may
20 request additional information from
21 the entity in order to determine
22 whether the entity is in compliance
23 with the requirements under subpara-
24 graph (C), and

1 (II) the entity shall provide such
2 additional information.

3 (iii) DETERMINATION DEADLINE.—

4 The Secretary of Labor shall make a de-
5 termination on whether to certify an entity
6 under this subsection not later than—

7 (I) in a case in which the Sec-
8 retary requests additional information
9 described in paragraph (2)(B)(ii), 1
10 year after the Secretary receives such
11 additional information from the enti-
12 ty, or

13 (II) in a case that is not de-
14 scribed in subclause (I), 1 year after
15 the date on which the entity submits
16 the application under clause (i).

17 (iv) PRECERTIFICATION REMEDIES.—

18 The Secretary shall consider any corrective
19 actions taken by an entity seeking certifi-
20 cation under this paragraph to remedy an
21 administrative merits determination, arbi-
22 tral award or decision, or civil judgment
23 identified under subparagraph (C)(iii) and
24 shall impose as a condition of certification

1 any additional remedies necessary to avoid
2 further or repeated violations.

3 (C) LABOR STANDARDS REQUIREMENTS.—

4 The Secretary of Labor shall require an entity,
5 as a condition of certification under this sub-
6 section, to satisfy each of the following require-
7 ments—

8 (i) The entity shall ensure that all la-
9 borers and mechanics employed by contrac-
10 tors and subcontractors in the performance
11 of any applicable construction project shall
12 be paid wages at rates not less than those
13 prevailing on projects of a similar char-
14 acter in the locality as determined by the
15 Secretary of Labor in accordance with sub-
16 chapter IV of chapter 31 of title 40,
17 United States Code (commonly known as
18 the “Davis-Bacon Act”).

19 (ii) The entity shall be a party to, or
20 require contractors and subcontractors in
21 the performance of any applicable con-
22 struction project to consent to, a covered
23 project labor agreement.

24 (iii) The entity, and all contractors
25 and subcontractors in performance of any

1 applicable construction project, shall rep-
2 resent in the application submitted under
3 subparagraph (B) whether there has been
4 any administrative merits determination,
5 arbitral award or decision, or civil judg-
6 ment, as defined in guidance issued by the
7 Secretary of Labor, rendered against the
8 entity in the preceding 3 years for viola-
9 tions of—

10 (I) the Fair Labor Standards Act
11 of 1938 (29 U.S.C. 201 et seq.),

12 (II) the Occupational Safety and
13 Health Act of 1970 (29 U.S.C. 651 et
14 seq.),

15 (III) the Migrant and Seasonal
16 Agricultural Worker Protection Act
17 (29 U.S.C. 1801 et seq.),

18 (IV) the National Labor Rela-
19 tions Act (29 U.S.C. 151 et seq.),

20 (V) subchapter IV of chapter 31
21 of title 40, United States Code (com-
22 monly known as the “Davis-Bacon
23 Act”),

- 1 (VI) chapter 67 of title 41,
2 United States Code (commonly known
3 as the “Service Contract Act”),
4 (VII) Executive Order 11246 (42
5 U.S.C. 2000e note; relating to equal
6 employment opportunity),
7 (VIII) section 503 of the Reha-
8 bilitation Act of 1973 (29 U.S.C.
9 793),
10 (IX) section 4212 of title 38,
11 United States Code;
12 (X) the Family and Medical
13 Leave Act of 1993 (29 U.S.C. 2601 et
14 seq.),
15 (XI) title VII of the Civil Rights
16 Act of 1964 (42 U.S.C. 2000e et
17 seq.),
18 (XII) the Americans with Dis-
19 abilities Act of 1990 (42 U.S.C.
20 12101 et seq.),
21 (XIII) the Age Discrimination in
22 Employment Act of 1967 (29 U.S.C.
23 621 et seq.),

1 (XIV) Federal Government
2 standards establishing a minimum
3 wage for contractors, or

4 (XV) equivalent State laws, as
5 defined in guidance issued by the Sec-
6 retary of Labor.

7 (iv) The entity, and all contractors
8 and subcontractors in the performance of
9 any applicable construction project, shall
10 not require mandatory arbitration for any
11 dispute involving a worker engaged in a
12 service for the entity.

13 (v) The entity, and all contractors and
14 subcontractors in the performance of any
15 applicable construction project, shall con-
16 sider an individual performing any service
17 in such performance as an employee (and
18 not an independent contractor) of the enti-
19 ty, contractor, or subcontractor, respec-
20 tively, unless—

21 (I) the individual is free from
22 control and direction in connection
23 with the performance of the service,
24 both under the contract for the per-
25 formance of the service and in fact,

1 (II) the service is performed out-
2 side the usual course of the business
3 of the entity, contractor, or subcon-
4 tractor, respectively, and

5 (III) the individual is customarily
6 engaged in an independently estab-
7 lished trade, occupation, profession, or
8 business of the same nature as that
9 involved in such service.

10 (vi) The entity shall prohibit all con-
11 tractors and subcontractors in the per-
12 formance of any applicable construction
13 project from hiring employees through a
14 temporary staffing agency unless the rel-
15 evant State workforce agency certifies that
16 temporary employees are necessary to ad-
17 dress an acute, short-term labor demand.

18 (vii) The entity shall require all con-
19 tractors, subcontractors, successors in in-
20 terest of the entity, and other entities that
21 may acquire the entity, in the performance
22 or acquisition of any applicable construc-
23 tion project, to have an explicit neutrality
24 policy on any issue involving the organiza-
25 tion of employees of the entity, and all con-

1 tractors and subcontractors in the per-
2 formance of any applicable construction
3 project, for purposes of collective bar-
4 gaining.

5 (viii) The entity shall, for each skilled
6 craft employed on any applicable construc-
7 tion project, demonstrate an ability to use
8 and commit to use individuals enrolled in
9 a registered apprenticeship program, which
10 such individuals shall, to the greatest ex-
11 tent practicable, constitute not less than
12 20 percent of the individuals working on
13 such project.

14 (ix) The entity, and all contractors
15 and subcontractors in the performance of
16 any applicable construction project, shall
17 not request or otherwise consider the
18 criminal history of an applicant for em-
19 ployment before extending a conditional
20 offer to the applicant, unless—

21 (I) a background check is other-
22 wise required by law,

23 (II) the position is for a Federal
24 law enforcement officer (as defined in

1 section 115(c)(1) of title 18, United
2 States Code) position, or

3 (III) the Secretary of Labor,
4 after consultation with the Secretary
5 of Energy, certifies that precluding
6 criminal history prior to the condi-
7 tional offer would pose a threat to na-
8 tional security.

9 (D) DAVIS-BACON ACT.—The Secretary of
10 Labor shall have, with respect to the labor
11 standards described in subparagraph (C)(i), the
12 authority and functions set forth in Reorganiza-
13 tion Plan Numbered 14 of 1950 (64 Stat.
14 1267; 5 U.S.C. App.) and section 3145 of title
15 40, United States Code.

16 (E) PERIOD OF VALIDITY FOR CERTIFI-
17 CATIONS.—A certification made under this sub-
18 section shall be in effect for a period of 5 years.
19 An entity may reapply to the Secretary of
20 Labor for an additional certification under this
21 subsection in accordance with the application
22 process under paragraph (2)(B).

23 (F) REVOCATION OF QUALIFIED ENTITY
24 STATUS.—The Secretary of Labor may revoke
25 the certification of an entity under this sub-

1 section as a qualified entity at any time in
2 which the Secretary reasonably determines the
3 entity is no longer in compliance with para-
4 graph (2)(C).

5 (G) CERTIFICATION MAY COVER MORE
6 THAN 1 SUBSTANTIALLY SIMILAR PROJECT.—
7 The Secretary of Labor may make certifications
8 under this paragraph which apply with respect
9 to more than 1 project if the projects to which
10 such certification apply are substantially similar
11 projects which meet the requirements of this
12 subsection. Such projects shall be treated as a
13 specific construction project for purposes of
14 paragraph (1)(C).

15 (3) AUTHORIZATION OF APPROPRIATIONS.—
16 There is authorized to be appropriated to carry out
17 this section \$10,000,000 for fiscal year 2020 and
18 each fiscal year thereafter.

19 (b) JOBS IN ENERGY CREDIT.—

20 (1) IN GENERAL.—Subpart E of part IV of
21 subchapter A of chapter 1 of the Internal Revenue
22 Code of 1986 is amended by inserting after section
23 48C the following new section:

1 **“SEC. 48D. JOBS IN ENERGY CREDIT.**

2 “(a) INVESTMENT CREDIT FOR QUALIFIED PROP-
3 ERTY.—For purposes of section 46, the jobs in energy
4 credit for any taxable year is an amount equal to 10 per-
5 cent of the basis of any qualified energy property placed
6 in service by the taxpayer during such taxable year if the
7 installation of such property is performed by a qualified
8 entity with respect to such property.

9 “(b) QUALIFIED ENERGY PROPERTY.—For purposes
10 of this section, the term ‘qualified energy property’
11 means—

12 “(1) energy property (as defined in section
13 48(a)(3)), or

14 “(2) qualified property which is part of a quali-
15 fied investment credit facility (as defined in section
16 48(a)(5) without regard to clause (a)(5)(C)(iii))
17 which is originally placed in service after December
18 31, 2020.

19 “(c) QUALIFIED ENTITY.—For purposes of this sec-
20 tion—

21 “(1) IN GENERAL.—The term ‘qualified entity’
22 means, with respect to the installation of any quali-
23 fied energy property, an entity which is certified by
24 the Secretary of Labor as being in compliance with
25 all of the applicable requirements under section
26 503(a) of the GREEN Act of 2020 with respect to

1 such installation at all times during the period be-
2 ginning on the date on which the installation of such
3 property begins and ending on the date on which
4 such property is placed in service.

5 “(2) CERTIFICATION OF FACILITY REQUIRED.—
6 In the case of any qualified property referred to in
7 subsection (b)(2), an entity shall be treated as a
8 qualified entity with respect to the installation of
9 such property only if the Secretary of Labor has cer-
10 tified that the construction of the qualified invest-
11 ment credit facility of which such qualified property
12 is a part as being in compliance with all of the appli-
13 cable requirements under section 503(a) of the
14 GREEN Act of 2020 for the period referred to in
15 paragraph (1).

16 “(d) SPECIAL RULES.—

17 “(1) CERTAIN PROGRESS EXPENDITURE RULES
18 MADE APPLICABLE.—Rules similar to the rules of
19 subsections (c)(4) and (d) of section 46 (as in effect
20 on the day before the date of the enactment of the
21 Revenue Reconciliation Act of 1990) shall apply for
22 purposes of subsection (a).

23 “(2) SPECIAL RULE FOR PROPERTY FINANCED
24 BY SUBSIDIZED ENERGY FINANCING OR INDUSTRIAL
25 DEVELOPMENT BONDS.—For purposes of subsection

1 (a), rules similar to the rules of section 48(a)(4)
2 shall apply for purposes of determining the basis of
3 any qualified energy property.

4 “(3) RECAPTURE.—If the Secretary of Labor
5 revokes the certification of a qualified entity with re-
6 spect to the installation of any property, the tax im-
7 posed under this chapter on the taxpayer to whom
8 the credit determined under this section is allowed
9 shall be increased for the taxable year which in-
10 cludes the date of such revocation by an amount
11 equal to the aggregate decrease in the credits al-
12 lowed under section 38 for all prior taxable years
13 which would have resulted solely from reducing to
14 zero any credit determined under this section with
15 respect to such property.

16 “(4) ELECTION NOT TO HAVE SECTION
17 APPLY.—This section shall not apply with respect to
18 any taxpayer for any taxable year if such taxpayer
19 elects (at such time and in such manner as the Sec-
20 retary may prescribe) not to have this section
21 apply.”.

22 (2) CONFORMING AMENDMENTS.—

23 (A) Section 46 of such Code is amended by
24 striking “and” at the end of paragraph (5), by
25 striking the period at the end of paragraph (6)

1 and inserting “, and”, and by adding at the end
2 the following new paragraph:

3 “(7) the jobs in energy credit.”.

4 (B) Section 49(a)(1)(C) of such Code is
5 amended by striking “and” at the end of clause
6 (iv), by striking the period at the end of clause
7 (v) and inserting a comma, and by adding at
8 the end the following new clause:

9 “(vi) the basis of any qualified energy
10 property under section 48D.”.

11 (C) Section 50(a)(2)(E) of such Code is
12 amended by striking “ or 48C(b)(2)” and in-
13 serting “48C(b)(2), or 48D(d)(1)”.

14 (D) The table of sections for subpart E of
15 part IV of subchapter A of chapter 1 of such
16 Code is amended by inserting after the item re-
17 lating to section 48C the following new item:

“Sec. 48D. Jobs in energy credit.”.

18 (3) EFFECTIVE DATE.—The amendments made
19 by this section shall apply to periods after December
20 31, 2020, under rules similar to the rules of section
21 48(m) of the Internal Revenue Code of 1986 (as in
22 effect on the day before the date of the enactment
23 of the Revenue Reconciliation Act of 1990).

1 (c) INCREASE IN NEW ENERGY EFFICIENT HOME
2 CREDIT FOR CONTRACTING WITH QUALIFIED ENTI-
3 TIES.—

4 (1) IN GENERAL.—Section 45L(a) of the Inter-
5 nal Revenue Code of 1986 is amended by adding at
6 the end the following:

7 “(3) ADJUSTMENT FOR QUALIFIED ENTITIES.—

8 “(A) IN GENERAL.—In the case of any
9 dwelling unit which was constructed by an eligi-
10 ble contractor which is certified by the Sec-
11 retary of Labor as being in compliance with all
12 of the applicable requirements under section
13 503(a) of the GREEN Act of 2020 with respect
14 to the construction of such dwelling unit, para-
15 graph (2)(A) shall be applied by substituting
16 ‘\$2,700’ for ‘\$2,500’.

17 “(B) RECAPTURE OF ADJUSTMENT FOR
18 QUALIFIED ENTITIES.—If the Secretary of
19 Labor revokes the certification of a qualified
20 entity with respect to the construction of any
21 qualified new energy efficient home, the tax im-
22 posed under this chapter on the taxpayer to
23 whom the credit determined under this section
24 is allowed shall be increased for the taxable
25 year which includes the date of such revocation

1 by an amount equal to the aggregate decrease
2 in the credits allowed under section 38 for all
3 prior taxable years which would have resulted
4 solely from applying this section without regard
5 to subparagraph (A).”.

6 (2) EFFECTIVE DATE.—The amendment made
7 by this section shall apply to dwelling units acquired
8 after December 31, 2020.

9 (d) INCREASE IN ENERGY EFFICIENT COMMERCIAL
10 BUILDING DEDUCTION FOR INSTALLATION BY QUALI-
11 FIED ENTITIES.—

12 (1) IN GENERAL.—Section 179D(d) of the In-
13 ternal Revenue Code of 1986 is amended by adding
14 at the end the following:

15 “(7) ADJUSTMENT FOR QUALIFIED ENTITIES.—
16 In the case of any energy efficient commercial build-
17 ing property which was installed by an entity which
18 is certified by the Secretary of Labor as being in
19 compliance with all of the applicable requirements
20 under section 503(a) of the GREEN Act of 2020
21 with respect to such installation, subsection
22 (b)(1)(A) shall be applied by substituting ‘\$3.20’ for
23 ‘\$3’.”.

24 (2) CONFORMING AMENDMENT.—Section
25 179D(d)(1)(A) of such Code is amended by inserting

1 “(or, in the case of property to which paragraph (7)
2 applies, by substituting ‘\$1.07’ for ‘\$3.20’ in such
3 paragraph)” before the period at the end.

4 (3) EFFECTIVE DATE.—The amendment made
5 by this section shall apply to property placed in serv-
6 ice after December 31, 2020.

7 **TITLE VI—ENVIRONMENTAL** 8 **JUSTICE**

9 **SEC. 601. QUALIFIED ENVIRONMENTAL JUSTICE PROGRAM**

10 **CREDIT.**

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

14 **“SEC. 36C. QUALIFIED ENVIRONMENTAL JUSTICE PRO-** 15 **GRAMS.**

16 “(a) ALLOWANCE OF CREDIT.—In the case of an eli-
17 gible educational institution, there shall be allowed as a
18 credit against the tax imposed by this subtitle for any tax-
19 able year an amount equal to the applicable percentage
20 of the amounts paid or incurred by such taxpayer during
21 such taxable year which are necessary for a qualified envi-
22 ronmental justice program.

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

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

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

17 “(c) ELIGIBLE EDUCATIONAL INSTITUTION.—For
18 purposes of this section, the term ‘eligible educational in-
19 stitution’ means an institution of higher education (as
20 such term is defined in section 101 or 102(c) of the High-
21 er Education Act of 1965) that is eligible to participate
22 in a program under title IV of such Act.

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

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

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

6 “(e) CREDIT ALLOCATION.—

7 “(1) ALLOCATION.—

8 “(A) IN GENERAL.—The Secretary shall
9 allocate credit dollar amounts under this section
10 to eligible educational institutions, for qualified
11 environmental justice programs, that—

12 “(i) submit applications at such time
13 and in such manner as the Secretary may
14 provide, and

15 “(ii) are selected by the Secretary
16 under subparagraph (B).

17 “(B) SELECTION CRITERIA.—The Sec-
18 retary, after consultation with the Secretary of
19 Energy, the Secretary of Education, the Sec-
20 retary of Health and Human Services, and the
21 Administrator of the Environmental Protection
22 Agency, shall select applications on the basis of
23 the following criteria:

24 “(i) The extent of participation of fac-
25 ulty and students of an institution de-

1 scribed in section 371(a) of the Higher
2 Education Act of 1965.

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

9 “(iii) The creation or significant ex-
10 pansion of qualified environmental justice
11 programs.

12 “(2) LIMITATIONS.—

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

18 “(i) the credit dollar amount allocated
19 to such institution for such program under
20 this subsection, over

21 “(ii) the credits previously claimed by
22 such institution for such program under
23 this section.

24 “(B) FIVE-YEAR LIMITATION.—No
25 amounts paid or incurred after the 5-year pe-

1 riod beginning on the date a credit dollar
2 amount is allocated to an eligible educational
3 institution for a qualified environmental justice
4 program shall be taken into account under sub-
5 section (a) with respect to such institution for
6 such program.

7 “(C) ALLOCATION LIMITATION.—The total
8 amount of credits that may be allocated under
9 the program shall not exceed—

10 “(i) \$1,000,000,000 for each of 2021,
11 2022, 2023, 2024, and 2025, and

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

13 “(f) REQUIREMENTS.—

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

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

21 “(B) submit an annual report to the Sec-
22 retary that describes the amounts paid or in-
23 curred for, and expected impact of, such
24 project.

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

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

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

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

12 (b) CONFORMING AMENDMENTS.—

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

15 (2) Paragraph (2) of section 1324(b) of title
16 31, United States Code, is amended by inserting
17 “36C,” after “36B,”.

18 (c) CLERICAL AMENDMENT.—The table of sections
19 for subpart C of part IV of subchapter A of chapter 1
20 is amended by inserting after the item relating to section
21 36B the following new item:

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

22 (d) EFFECTIVE DATE.—The amendments made by
23 this section shall take effect on the date of the enactment
24 of this Act.

1 **TITLE VII—TREASURY REPORT**
2 **ON DATA FROM THE GREEN-**
3 **HOUSE GAS REPORTING PRO-**
4 **GRAM**

5 **SEC. 701. REPORT ON GREENHOUSE GAS REPORTING PRO-**
6 **GRAM.**

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

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