

105TH CONGRESS
2D SESSION

H. R. 4407

To amend the Internal Revenue Code of 1986 to provide that the credit for electricity produced from certain renewable resources shall apply to electricity produced from all biomass facilities and to extend the placed in service deadline for such credit.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 5, 1998

Mr. HERGER (for himself, Mr. MATSUI, Mr. ENSIGN, Mr. McCRERY, Mr. McDERMOTT, Mrs. THURMAN, Mr. SMITH of Oregon, Mr. POMBO, Mr. HUNTER, Mr. DOOLEY of California, Mr. GIBBONS, and Mr. BLUMENAUER) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to provide that the credit for electricity produced from certain renewable resources shall apply to electricity produced from all biomass facilities and to extend the placed in service deadline for such credit.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Biomass Energy Eq-
5 uity Act of 1998”.

1 **SEC. 2. MODIFICATIONS TO CREDIT FOR ELECTRICITY**
2 **PRODUCED FROM RENEWABLE RESOURCES.**

3 (a) **QUALIFIED FACILITIES INCLUDE ALL BIOMASS**
4 **FACILITIES.—**

5 (1) **IN GENERAL.—**Subparagraph (B) of section
6 45(c)(1) of the Internal Revenue Code of 1986 (re-
7 lating to credit for electricity produced from certain
8 renewable resources) is amended to read as follows:

9 “(B) biomass.”.

10 (2) **BIOMASS DEFINED.—**Paragraph (2) of sec-
11 tion 45(c) of such Code is amended to read as fol-
12 lows:

13 “(2) **BIOMASS.—**The term ‘biomass’ means—

14 “(A) any organic material from a plant
15 which is planted exclusively for purposes of
16 being used at a qualified facility to produce
17 electricity, and

18 “(B) any solid, nonhazardous, cellulosic
19 waste material, which is segregated from other
20 waste materials, and which is derived from—

21 “(i) any of the following forest-related
22 resources: mill residues, precommercial
23 thinnings, slash, and brush, but not includ-
24 ing old-growth timber,

25 “(ii) urban sources, including waste
26 pallets, crates, and dunnage, manufactur-

1 ing and construction wood wastes, and
2 landscape or right-of-way tree trimmings,
3 but not including unsegregated municipal
4 solid waste (garbage), or

5 “(iii) agriculture sources, including or-
6 chard tree crops, vineyard, grain, legumes,
7 sugar, and other crop by-products or resi-
8 dues.”

9 (b) EXTENSION AND MODIFICATION OF PLACED IN
10 SERVICE RULES.—Paragraph (3) of section 45(c) of such
11 Code is amended to read as follows:

12 “(3) QUALIFIED FACILITY.—

13 “(A) WIND FACILITIES.—In the case of a
14 facility using wind to produce electricity, the
15 term ‘qualified facility’ means any facility
16 owned by the taxpayer which is originally
17 placed in service after December 31, 1993, and
18 before July 1, 2008.

19 “(B) BIOMASS FACILITIES.—In the case of
20 a facility using biomass to produce electricity,
21 the term ‘qualified facility’ means, with respect
22 to any month, any facility owned by the tax-
23 payer which is originally placed in service before
24 July 1, 2008, if, for such month, biomass com-
25 prises not less than 75 percent (on a Btu basis)

1 of the average monthly fuel input of the facility
2 for the taxable year which includes such month.

3 “(C) SPECIAL RULES.—In the case of a
4 qualified facility described in subparagraph
5 (B)—

6 “(i) the 10-year period referred to in
7 subsection (a) shall be treated as beginning
8 no earlier than the date of the enactment
9 of this paragraph, and

10 “(ii) subsection (b)(3) shall not apply
11 to any such facility originally placed in
12 service before January 1, 1993.”

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

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