

109TH CONGRESS  
1ST SESSION

# H. R. 3928

To amend the Internal Revenue Code of 1986 to allow a credit for qualified expenditures paid or incurred to replace certain wood stoves.

---

## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 28, 2005

Mr. MURPHY (for himself and Ms. HART) 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 allow a credit for qualified expenditures paid or incurred to replace certain wood stoves.

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 Wood Stove Replace-  
5 ment Act of 2005”.

6 **SEC. 2. CREDIT FOR REPLACEMENT STOVES MEETING EN-**  
7 **VIRONMENTAL STANDARDS IN NONATTAIN-**  
8 **MENT AREAS.**

9 (a) IN GENERAL.—Subpart A of part IV of sub-  
10 chapter A of chapter 1 of the Internal Revenue Code of

1 1986 (relating to nonrefundable personal credits) is  
2 amended by inserting after section 25D the following new  
3 section:

4 **“SEC. 25E. REPLACEMENT WOOD BURNING STOVES IN**  
5 **AREAS WITH POOR AIR QUALITY.**

6 “(a) ALLOWANCE OF CREDIT.—In the case of an in-  
7 dividual, there shall be allowed as a credit against the tax  
8 imposed by this chapter for the taxable year an amount  
9 equal to the qualified stove replacement expenditures paid  
10 or incurred by taxpayer during the taxable year.

11 “(b) LIMITATION.—The amount of the credit under  
12 subsection (a) with respect to the replacement of each non-  
13 compliant wood stove shall not exceed \$500.

14 “(c) QUALIFIED STOVE REPLACEMENT EXPENDI-  
15 TURES.—For purposes of this section—

16 “(1) IN GENERAL.—The term ‘qualified stove  
17 replacement expenditures’ means an expenditure for  
18 the purchase and installation of a compliant stove  
19 which—

20 “(A) is installed in a dwelling unit which—

21 “(i) is located in the United States in  
22 an area which, at the time of the installa-  
23 tion, is designated by the Environmental  
24 Protection Agency as—

1                   “(I) a non-attainment area for  
2                   particulate matter less than 2.5 mi-  
3                   crometers in diameter, or

4                   “(II) a non-attainment area for  
5                   particulate matter less than 10 mi-  
6                   crometers in diameter, and

7                   “(ii) is used as a residence, and

8                   “(B) replaces a noncompliant wood stove  
9                   used in such dwelling unit.

10                  Such term includes expenditures for labor costs  
11                  properly allocable to the onsite preparation, assem-  
12                  bly, or original installation of the compliant stove.

13                  “(2) COMPLIANT STOVE.—The term ‘compliant  
14                  stove’ means a wood burning stove which meets the  
15                  requirements set forth in the ‘Standards of Perform-  
16                  ance for New Residential Wood Heaters’ issued by  
17                  the Environmental Protection Agency.

18                  “(3) NONCOMPLIANT WOOD STOVE.—The term  
19                  ‘noncompliant wood stove’ means any wood burning  
20                  stove that is not a compliant stove.

21                  “(d) JOINT OCCUPANCY, COOPERATIVE HOUSING  
22                  CORPORATIONS, AND WHEN EXPENDITURE MADE.—  
23                  Rules similar to the rules of paragraphs (4), (5), and (8)  
24                  of section 25D(e) shall apply for purposes of this section.

1       “(e) BASIS ADJUSTMENT.—For purposes of this sub-  
 2 title, if a credit is allowed under this section for any ex-  
 3 penditure with respect to any property, the increase in the  
 4 basis of such property which would (but for this sub-  
 5 section) result from such expenditure shall be reduced by  
 6 the amount of the credit so allowed.

7       “(f) TERMINATION.—This section shall not apply to  
 8 expenditures made after December 31, 2008.”.

9       (b) CONFORMING AMENDMENTS.—

10           (1) Subsection (a) of section 1016 of such Code  
 11 is amended by striking “and” at the end of para-  
 12 graph (36), by striking the period at the end of  
 13 paragraph (37) and inserting “, and”, and by add-  
 14 ing at the end the following new paragraph:

15           “(38) in the case of property with respect to  
 16 which a credit has been allowed under 25E, to the  
 17 extent provided in section 25E(e).”.

18           (2) The table of sections for subpart A of part  
 19 IV of subchapter A of chapter 1 of such Code is  
 20 amended by inserting after the items relating to sec-  
 21 tion 25D the following new item:

“Sec. 25E. Replacement stoves in areas with poor air quality.”.

22       (c) EFFECTIVE DATE.—The amendments made by  
 23 this section shall apply to expenditures for stoves pur-  
 24 chased after the date of enactment of this Act.