

111<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 5464

To amend the Internal Revenue Code of 1986 to provide that solar electric property need not be located on the property with respect to which it is generating electricity in order to qualify for the residential energy efficient property credit.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 28, 2010

Ms. GIFFORDS (for herself, Mr. BLUMENAUER, Mr. THOMPSON of California, Mr. POLIS of Colorado, Mr. LUJÁN, Ms. HIRONO, Mr. GARAMENDI, Mr. WU, and Mrs. BONO MACK) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to provide that solar electric property need not be located on the property with respect to which it is generating electricity in order to qualify for the residential energy efficient property 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 “Solar Uniting Neigh-  
5 borhoods Act of 2010” or the “SUN Act”.

1 **SEC. 2. MODIFICATION OF CREDIT FOR RESIDENTIAL EN-**  
2 **ERGY EFFICIENT PROPERTY.**

3 (a) CLARIFICATION WITH RESPECT TO LOCATION OF  
4 SOLAR ELECTRIC PROPERTY.—Section 25D(d)(2) of the  
5 Internal Revenue Code of 1986 is amended—

6 (1) by striking “The term” and inserting the  
7 following:

8 “(A) IN GENERAL.—The term”, and

9 (2) by adding at the end the following new sub-  
10 paragraph:

11 “(B) OFF-SITE PROPERTY.—

12 “(i) IN GENERAL.—Such term shall  
13 include an expenditure for qualified prop-  
14 erty described in subparagraph (A) not-  
15 withstanding—

16 “(I) whether such qualified prop-  
17 erty is located on the same site as the  
18 dwelling unit for which the electricity  
19 generated from such property is used,  
20 and

21 “(II) whether the electricity gen-  
22 erated by the qualified property enters  
23 the electrical grid, so long as such  
24 electricity enters the grid at any point  
25 located in the same State within  
26 which such dwelling unit is connected.

1           “(ii) QUALIFIED PROPERTY.—For  
2 purposes of this subparagraph, the term  
3 ‘qualified property’ means property—

4           “(I) which is not used in a trade  
5 or business, and

6           “(II) the electricity generated  
7 from which does not give rise to in-  
8 come for the taxable year (or any tax-  
9 able year in the recapture period) in  
10 excess of amounts that would other-  
11 wise be charged to such taxpayer for  
12 electricity used at the taxpayer’s resi-  
13 dence during the year.

14           “(iii) RECAPTURE.—

15           “(I) IN GENERAL.—The Sec-  
16 retary may provide for the recapture  
17 of the credit under this subsection  
18 with respect to any property described  
19 in this subparagraph which ceases to  
20 be qualified property during the re-  
21 capture period.

22           “(II) RECAPTURE PERIOD.—For  
23 purposes of this subparagraph, the re-  
24 capture period with respect to any  
25 qualified property is the first 5 tax-

1                   able years beginning after the taxable  
2                   year for which a credit is allowed  
3                   under this section with respect to such  
4                   property.”.

5           (b) LIMITATION WITH RESPECT TO OFF-SITE SOLAR  
6 ELECTRIC PROPERTY.—Subsection (b) of section 25D of  
7 such Code is amended by adding at the end the following  
8 new paragraph:

9                   “(3) MAXIMUM CREDIT FOR OFF-SITE SOLAR  
10 ELECTRIC PROPERTY.—In the case of any qualified  
11 solar electric property expenditure with respect to  
12 property not located on the same site as the dwelling  
13 unit, the credit allowed under subsection (a) (deter-  
14 mined without regard to subsection (c)) for any tax-  
15 able year shall not exceed \$50,000.”.

16           (c) EFFECTIVE DATE.—The amendments made by  
17 this section shall apply to taxable years beginning after  
18 the date of the enactment of this Act.

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