

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

# S. 3137

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 SENATE OF THE UNITED STATES

MARCH 18, 2010

Mr. UDALL of Colorado (for himself, Mr. BENNET, and Mr. MERKLEY) introduced the following bill; which was read twice and referred to the Committee on Finance

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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 (SUN) Act of 2010”.

1 **SEC. 2. CLARIFICATION WITH RESPECT TO LOCATION OF**  
2 **SOLAR ELECTRIC PROPERTY.**

3 (a) IN GENERAL.—Section 25D(d)(2) of the Internal  
4 Revenue Code of 1986 is amended—

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

7 “(A) IN GENERAL.—The term”, and

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

10 “(B) OFF-SITE PROPERTY.—

11 “(i) IN GENERAL.—Such term shall  
12 include an expenditure for qualified prop-  
13 erty described in the subparagraph (A)  
14 notwithstanding—

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

20 “(II) whether the electricity gen-  
21 erated by the qualified property enters  
22 the electrical grid, so long as such  
23 electricity enters the grid at any point  
24 located on the same local electrical  
25 grid to which such dwelling unit is  
26 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 or an activity engaged in  
6 for profit, and

7           “(II) the electricity generated  
8 from which does not result in annual  
9 income to the taxpayer in excess of  
10 amounts that would otherwise be  
11 charged to such taxpayer for elec-  
12 tricity used at the taxpayer’s resi-  
13 dence during the year.

14           “(iii) RECAPTURE.—The Secretary  
15 may provide for the recapture of the credit  
16 under this subsection with respect to any  
17 property described in this subparagraph  
18 which ceases to be qualified property.”.

19           (b) EFFECTIVE DATE.—The amendments made by  
20 this section shall apply to taxable years beginning after  
21 the date of the enactment of this Act.

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