

114TH CONGRESS
2D SESSION

H. R. 6376

To amend the Internal Revenue Code of 1986 to modify the energy efficient commercial buildings deduction, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 17, 2016

Mr. REICHERT (for himself, Mr. BLUMENAUER, Mr. REED, and Mr. VAN HOLLEN) 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 modify the energy efficient commercial buildings deduction, 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. MODIFICATION OF ENERGY EFFICIENT COM-**
4 **MERCIAL BUILDINGS DEDUCTION.**

5 (a) ALLOCATIONS OF DEDUCTIONS.—Paragraph (4)
6 of section 179D(d) of such Code is amended to read as
7 follows:

8 “(4) ALLOCATION OF DEDUCTION FOR CERTAIN
9 PROPERTY.—

1 “(A) PROPERTY HELD BY GOVERNMENTS
2 AND NONPROFITS.—In the case of energy effi-
3 cient commercial building property installed on
4 or in property owned by a Federal, State, local,
5 or Indian tribal government, or a political sub-
6 division thereof, or by an organization that is
7 described in section 501(c)(3) and exempt from
8 tax under section 501(a), the Secretary shall
9 promulgate a regulation to allow the allocation
10 of the deduction to the person primarily respon-
11 sible for designing the property in lieu of the
12 owner of such property. Such person shall be
13 treated as the taxpayer for purposes of this sec-
14 tion.

15 “(B) ALLOCATIONS TO PARTNERSHIPS
16 AND S CORPORATIONS.—In the case of an allo-
17 cation of a deduction under this section to a
18 partnership or S corporation, the Secretary
19 shall by regulation or other guidance allow the
20 full benefit of a deduction allocated under this
21 paragraph at the partner or shareholder level.”.

22 (b) LOW-INCOME HOUSING EXCEPTION TO BASIS
23 REDUCTION.—Subsection (e) of section 179D of such
24 Code is amended by inserting “(other than property placed

1 in service in a qualified low-income building (within the
2 meaning of section 42))” after “building property”.

3 (c) CONFORMING AMENDMENTS.—

4 (1) The heading for section 179D of such Code
5 is amended by inserting “**AND MULTIFAMILY**”
6 after “**COMMERCIAL**”.

7 (2) The item in the table of sections for part
8 VI of subchapter B of chapter 1 of such Code relat-
9 ing to section 179D of such Code is amended by in-
10 sserting “and multifamily” after “commercial”.

11 (d) EFFECTIVE DATE.—The amendments made by
12 this section shall apply to property placed in service after
13 December 31, 2016.

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