

115TH CONGRESS
1ST SESSION

S. 1409

To amend the Internal Revenue Code of 1986 to extend the credit for residential energy efficient property, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 22, 2017

Mr. CARPER (for himself and Mr. HELLER) introduced the following bill;
which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to extend the credit for residential energy efficient property, 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. SHORT TITLE.**

4 This Act may be cited as the “Technologies for En-
5 ergy Jobs and Security Act of 2017”.

6 **SEC. 2. EXTENSION AND PHASEOUT OF RESIDENTIAL EN-**
7 **ERGY EFFICIENT PROPERTY.**

8 (a) EXTENSION.—Section 25D(h) of the Internal
9 Revenue Code of 1986 is amended by striking “December
10 31, 2016 (December 31, 2021, in the case of any qualified

1 solar electric property expenditures and qualified solar
 2 water heating property expenditures)”, and inserting “De-
 3 cember 31, 2021”.

4 (b) PHASEOUT.—

5 (1) IN GENERAL.—Paragraphs (3), (4), and (5)
 6 of section 25D(a) of the Internal Revenue Code of
 7 1986 are amended by striking “30 percent” each
 8 place it appears and inserting “the applicable per-
 9 centage”.

10 (2) CONFORMING AMENDMENT.—Section
 11 25D(g) of the Internal Revenue Code of 1986 is
 12 amended by striking “paragraphs (1) and (2) of”.

13 (c) EFFECTIVE DATE.—The amendments made by
 14 this section shall take effect on January 1, 2017.

15 **SEC. 3. EXTENSION AND PHASEOUT OF ENERGY CREDIT.**

16 (a) CREDIT PERCENTAGE FOR GEOTHERMAL EN-
 17 ERGY PROPERTY.—Section 48(a)(2)(A)(i)(II) of the Inter-
 18 nal Revenue Code of 1986 is amended by striking “para-
 19 graph (3)(A)(i)” and inserting “clause (i) or (iii) of para-
 20 graph (3)(A)”.

21 (b) EXTENSION OF SOLAR AND THERMAL ENERGY
 22 PROPERTY.—Section 48(a)(3)(A) of the Internal Revenue
 23 Code of 1986 is amended—

24 (1) in clause (ii) by striking “periods ending be-
 25 fore January 1, 2017” and inserting “property the

1 construction of which begins before January 1,
2 2022”; and

3 (2) in clause (vii) by striking “periods ending
4 before January 1, 2017” and inserting “property the
5 construction of which begins before January 1,
6 2022”.

7 (c) PHASEOUT OF 30-PERCENT CREDIT RATE FOR
8 GEOTHERMAL ENERGY PROPERTY.—Section 48(a)(6) of
9 the Internal Revenue Code of 1986 is amended—

10 (1) in the heading, by inserting “AND GEO-
11 THERMAL” after “SOLAR”;

12 (2) in subparagraph (A), by striking “para-
13 graph (3)(A)(i)” and inserting “clause (i) or (iii) of
14 paragraph (3)(A)”;

15 (3) in subparagraph (B), by striking “property
16 energy property described in paragraph (3)(A)(i)”
17 and inserting “energy property described in clause
18 (i) or (iii) of paragraph (3)(A)”.

19 (d) PHASEOUT OF 30-PERCENT CREDIT RATE FOR
20 FIBER-OPTIC SOLAR, QUALIFIED FUEL CELL, AND
21 QUALIFIED SMALL WIND ENERGY PROPERTY.—

22 (1) IN GENERAL.—Section 48(a) of the Internal
23 Revenue Code of 1986 is amended by adding the fol-
24 lowing:

1 “(7) PHASEOUT FOR FIBER-OPTIC SOLAR,
2 QUALIFIED FUEL CELL, AND QUALIFIED SMALL
3 WIND ENERGY PROPERTY.—In the case of any en-
4 ergy property described in paragraph (3)(A)(ii),
5 qualified fuel cell property, or qualified small wind
6 property, the energy percentage determined under
7 paragraph (2) shall be equal to—

8 “(A) in the case of any property the con-
9 struction of which begins after December 31,
10 2019, and before January 1, 2021, 26 percent,
11 and

12 “(B) in the case of any property the con-
13 struction of which begins after December 31,
14 2020, and before January 1, 2022, 22 per-
15 cent.”.

16 (2) CONFORMING AMENDMENT.—Section
17 48(a)(2)(A) of the Internal Revenue Code of 1986 is
18 amended by striking “paragraph (6)” and inserting
19 “paragraphs (6) and (7)”.

20 (e) EXTENSION OF QUALIFIED FUEL CELL PROP-
21 ERTY.—Section 48(c)(1)(D) of the Internal Revenue Code
22 of 1986 is amended by striking “for any period after De-
23 cember 31, 2016” and inserting “the construction of
24 which does not begin before January 1, 2022”.

1 (f) EXTENSION OF QUALIFIED MICROTURBINE
2 PROPERTY.—Section 48(c)(2)(D) of the Internal Revenue
3 Code of 1986 is amended by striking “for any period after
4 December 31, 2016” and inserting “the construction of
5 which does not begin before January 1, 2022”.

6 (g) EXTENSION OF COMBINED HEAT AND POWER
7 SYSTEM PROPERTY.—Section 48(c)(3)(A)(iv) of the Inter-
8 nal Revenue Code of 1986 is amended by striking “which
9 is placed in service before January 1, 2017” and inserting
10 “the construction of which begins before January 1,
11 2022”.

12 (h) EXTENSION OF QUALIFIED SMALL WIND EN-
13 ERGY PROPERTY.—Section 48(c)(4)(C) of the Internal
14 Revenue Code of 1986 is amended by striking “for any
15 period after December 31, 2016” and inserting “the con-
16 struction of which does not begin before January 1,
17 2022”.

18 (i) EFFECTIVE DATE.—The amendments made by
19 this section shall take effect on January 1, 2017.

20 **SEC. 4. WASTE HEAT TO POWER PROPERTY.**

21 (a) IN GENERAL.—

22 (1) INTRODUCTION OF WASTE TO HEAT POWER
23 ENERGY PROPERTY.—Section 48(a)(3)(A) of the In-
24 ternal Revenue Code of 1986 is amended—

1 (A) at the end of clause (vi) by striking
2 “or”; and

3 (B) at the end of clause (vii) by inserting
4 “or” after the comma; and

5 (C) by adding the following:

6 “(viii) waste heat to power property,”.

7 (2) DEFINITIONS AND LIMITATIONS.—Section
8 48(c) of the Internal Revenue Code of 1986 is
9 amended by adding the following:

10 “(5) WASTE HEAT TO POWER PROPERTY.—

11 “(A) IN GENERAL.—The term ‘waste heat
12 to power property’ means property—

13 “(i) comprising a system which gen-
14 erates electricity through the recovery of a
15 qualified waste heat resource, and

16 “(ii) the construction of which begins
17 before January 1, 2022.

18 “(B) QUALIFIED WASTE HEAT RE-
19 SOURCE.—The term ‘qualified waste heat re-
20 source’ means—

21 “(i) exhaust heat or flared gas from
22 an industrial process that does not have,
23 as its primary purpose, the production of
24 electricity, and

1 “(ii) a pressure drop in any gas for an
2 industrial or commercial process.

3 “(C) LIMITATIONS.—

4 “(i) IN GENERAL.—For purposes of
5 subsection (a)(1), the basis of any waste
6 heat to power property taken into account
7 under this section shall not exceed the ex-
8 cess of—

9 “(I) the basis of such property,
10 over

11 “(II) the fair market value of
12 comparable property which does not
13 have the capacity to capture and con-
14 vert a qualified waste heat resource to
15 electricity.

16 “(ii) CAPACITY LIMITATION.—The
17 term ‘waste heat to power property’ shall
18 not include any property comprising a sys-
19 tem if such system has a capacity in excess
20 of 50 megawatts.”.

21 (b) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to periods after December 31,
23 2016, in taxable years ending after such date, under rules
24 similar to the rules of section 48(m) of the Internal Rev-
25 enue Code of 1986 (as in effect on the day before the date

1 of the enactment of the Revenue Reconciliation Act of
2 1990).

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