

116TH CONGRESS
1ST SESSION

H. R. 1479

To amend the Internal Revenue Code of 1986 to include biomass heating appliances for tax credits available for energy-efficient building property and energy property.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 28, 2019

Mr. WELCH (for himself, Mr. KELLY of Pennsylvania, Ms. KUSTER of New Hampshire, and Ms. PINGREE) 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 include biomass heating appliances for tax credits available for energy-efficient building property and energy property.

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 “Biomass Thermal Uti-
5 lization Act of 2019” or the “BTU Act of 2019”.

1 **SEC. 2. RESIDENTIAL ENERGY-EFFICIENT PROPERTY**
2 **CREDIT FOR BIOMASS FUEL PROPERTY EX-**
3 **PENDITURES.**

4 (a) ALLOWANCE OF CREDIT.—Section 25D(a) of the
5 Internal Revenue Code of 1986 is amended—

6 (1) in paragraph (4), by striking “and” at the
7 end;

8 (2) in paragraph (5), by adding “and” at the
9 end; and

10 (3) by inserting after paragraph (5) the fol-
11 lowing:

12 “(6) the qualified biomass fuel property expend-
13 itures,”.

14 (b) QUALIFIED BIOMASS FUEL PROPERTY EXPENDI-
15 TURES.—Section 25D(d) of such Code is amended by add-
16 ing at the end the following new paragraph:

17 “(6) QUALIFIED BIOMASS FUEL PROPERTY EX-
18 PENDITURE.—

19 “(A) IN GENERAL.—The term ‘qualified
20 biomass fuel property expenditure’ means an
21 expenditure for property—

22 “(i) which uses the burning of bio-
23 mass fuel to heat a dwelling unit located in
24 the United States and used as a residence
25 by the taxpayer, or to heat water for use
26 in such a dwelling unit, and

1 “(ii) which has a thermal efficiency
2 rating of at least 75 percent (measured by
3 the higher heating value of the fuel).

4 “(B) BIOMASS FUEL.—For purposes of
5 this section, the term ‘biomass fuel’ means any
6 plant-derived fuel available on a renewable or
7 recurring basis, including agricultural crops and
8 trees, wood and wood waste and residues,
9 plants (including aquatic plants), grasses, resi-
10 dues, and fibers. Such term includes densified
11 biomass fuels such as wood pellets.”.

12 (c) APPLICABLE PERCENTAGE.—Subsection (g) of
13 section 25D of such Code is amended—

14 (1) by redesignating paragraphs (1), (2), and
15 (3) as subparagraphs (A), (B), and (C), respectively,
16 and by moving such subparagraphs (as so redesign-
17 ated) 2 ems to the right;

18 (2) by striking “For purposes of” and inserting
19 the following:

20 “(1) IN GENERAL.—Except as provided under
21 paragraph (2), for purposes of”; and

22 (3) by adding at the end the following:

23 “(2) APPLICABLE PERCENTAGE FOR QUALIFIED
24 BIOMASS FUEL PROPERTY EXPENDITURES.—In the
25 case of any qualified biomass fuel property expendi-

1 tures made by the taxpayer during the taxable year,
2 the applicable percentage shall be 30 percent.”.

3 (d) TERMINATION.—Subsection (h) of section 25D of
4 such Code is amended to read as follows:

5 “(h) TERMINATION.—

6 “(1) IN GENERAL.—Except as provided under
7 paragraph (2), the credit allowed under this section
8 shall not apply to property placed in service after
9 December 31, 2021.

10 “(2) APPLICATION TO QUALIFIED BIOMASS
11 FUEL PROPERTY.—In the case of property described
12 in subsection (d)(6), the credit allowed under this
13 section shall not apply to property placed in service
14 after December 31, 2023.”.

15 (e) EFFECTIVE DATE.—The amendments made by
16 this section shall apply to expenditures paid or incurred
17 in taxable years beginning after December 31, 2018.

18 **SEC. 3. INVESTMENT TAX CREDIT FOR BIOMASS HEATING**
19 **PROPERTY.**

20 (a) IN GENERAL.—Section 48(a)(3)(A) of the Inter-
21 nal Revenue Code of 1986 is amended—

22 (1) by striking “or” at the end of clause (vi);

23 (2) by adding “or” at the end of clause (vii);

24 and

1 (3) and by inserting after clause (vii) the fol-
2 lowing new clause:

3 “(viii) open-loop biomass (within the
4 meaning of section 45(c)(3)) heating prop-
5 erty, including boilers or furnaces that op-
6 erate at thermal output efficiencies of not
7 less than 65 percent (measured by the
8 higher heating value of the fuel) and that
9 provide thermal energy in the form of heat,
10 hot water, or steam for space heating, air
11 conditioning, domestic hot water, or indus-
12 trial process heat,”.

13 (b) 30 PERCENT AND 15 PERCENT CREDITS.—

14 (1) ENERGY PERCENTAGE.—

15 (A) IN GENERAL.—Section 48(a)(2)(A) of
16 such Code is amended—

17 (i) by striking “and” at the end of
18 clause (i)(IV);

19 (ii) by redesignating clause (ii) as
20 clause (iii); and

21 (iii) by inserting after clause (i) the
22 following new clause:

23 “(ii) in the case of energy property
24 described in paragraph (3)(A)(viii) the
25 construction of which begins before Janu-

1 ary 1, 2024, 15 percent (30 percent in the
2 case of any such property which operates
3 at a thermal output efficiency of not less
4 than 80 percent (measured by the higher
5 heating value of the fuel)), and”.

6 (B) CONFORMING AMENDMENT.—Section
7 48(a)(2)(A)(iii) of such Code, as so redesign-
8 nated, is amended by inserting “or (ii)” after
9 “clause (i)”.

10 (c) EFFECTIVE DATE.—The amendments made by
11 this section shall apply to periods after December 31,
12 2018, in taxable years ending after such date, under rules
13 similar to the rules of section 48(m) of the Internal Rev-
14 enue Code of 1986 (as in effect on the day before the date
15 of the enactment of the Revenue Reconciliation Act of
16 1990).

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