[DISCUSSION DRAFT]

NOVEMBER 19, 2019

116TH CONGRESS
1ST SESSION

H. R. ______

To amend the Internal Revenue Code of 1986 to promote green energy, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. THOMPSON of California introduced the following bill; which was referred to the Committee on ______________________

A BILL

To amend the Internal Revenue Code of 1986 to promote green energy, and for other purposes.

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Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; ETC.

(a) Short Title.—This Act may be cited as the “Growing Renewable Energy and Efficiency Now Act of 2019” or the “GREEN Act of 2019”.

(b) Amendment of 1986 Code.—Except as otherwise expressly provided, whenever in this Act an amend-
ment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) Table Of Contents.—The table of contents for this Act is as follows:

Sec. 1. Short title; etc.

TITLE I—RENEWABLE ELECTRICITY AND REDUCING CARBON EMISSIONS

Sec. 101. Extension of credit for electricity produced from certain renewable resources.
Sec. 102. Extension and modification of energy credit.
Sec. 103. Extension of credit for carbon oxide sequestration.
Sec. 104. Elective payment for energy property and electricity produced from certain renewable resources, etc.
Sec. 105. Extension of energy credit for offshore wind facilities.
Sec. 106. Green energy publicly traded partnerships.

TITLE II—RENEWABLE FUELS

Sec. 201. Biodiesel and renewable diesel.
Sec. 203. Extension of second generation biofuel incentives.

TITLE III—GREEN ENERGY AND EFFICIENCY INCENTIVES FOR INDIVIDUALS

Sec. 301. Extension, increase, and modifications of nonbusiness energy property credit.
Sec. 302. Residential energy efficient property.
Sec. 303. Energy efficient commercial buildings deduction.
Sec. 304. Extension, increase, and modifications of new energy efficient home credit.
Sec. 305. Modifications to income exclusion for conservation subsidies.

TITLE IV—GREENING THE FLEET AND ALTERNATIVE VEHICLES

Sec. 401. Modification of limitations on new qualified plug-in electric drive motor vehicle credit.
Sec. 402. Credit for previously-owned qualified plug-in electric drive motor vehicles.
Sec. 403. Credit for zero-emission heavy vehicles and zero-emission buses.
Sec. 404. Qualified fuel cell motor vehicles.
Sec. 405. Alternative fuel refueling property credit.

TITLE V—INVESTMENT IN THE GREEN WORKFORCE

Sec. 501. Extension of the advanced energy project credit.
Sec. 502. Labor costs of installing mechanical insulation property.

TITLE VI—ENVIRONMENTAL JUSTICE

Sec. 601. Qualified environmental justice program credit.

TITLE VII—TREASURY REPORT ON DATA FROM THE GREENHOUSE GAS REPORTING PROGRAM

Sec. 701. Report on Greenhouse Gas Reporting Program.

TITLE VIII—[REVENUE PROVISIONS TO BE PROVIDED]

TITLE I—RENEWABLE ELECTRICITY AND REDUCING CARBON EMISSIONS

SEC. 101. EXTENSION OF CREDIT FOR ELECTRICITY PRODUCED FROM CERTAIN RENEWABLE RESOURCES.

(a) Extension.—

(1) In general.—The following provisions of section 45(d) are each amended by striking “January 1, 2018” each place it appears and inserting “January 1, 2025”:

(A) Paragraph (2)(A).

(B) Paragraph (3)(A).

(C) Paragraph (6).

(D) Paragraph (7).

(E) Paragraph (9).

(F) Paragraph (11)(B).

(2) Geothermal.—Section 45(d)(4)(B) is amended by striking “January 1, 2018” and inserting “January 1, 2020”.

November 18, 2019 (3:13 p.m.)
(b) Extension of Election to Treat Qualified Facilities as Energy Property.—Section 48(a)(5)(C)(ii) is amended by striking “January 1, 2018 (January 1, 2020, in the case of any facility which is described in paragraph (1) of section 45(d))” and inserting “January 1, 2025”.

(c) Application of Extension to Wind Facilities.—

(1) In General.—Section 45(d)(1) is amended by striking “January 1, 2020” and inserting “January 1, 2025”.

(2) Reduced Phaseout Percentage.—

(A) Renewable Electricity Production Credit.—Sections 45(b)(5) is amended by striking “and” at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting “, and”, and by adding at the end the following new subparagraph:

“(D) in the case of any facility the construction of which begins after December 31, 2019, and before January 1, 2025, 40 percent.”.

(B) Energy Credit.—Section 48(a)(5)(E) is amended by striking “and” at
the end of clause (ii), by striking the period at
the end of clause (iii) and inserting “, and”,
and by adding at the end the following new
clause:

“(iv) in the case of any facility the
construction of which begins after Decem-
ber 31, 2019, and before January 1, 2025,
40 percent.”.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise pro-
vided in this subsection, the amendments made by
this section shall apply to facilities the construction
of which begins after December 31, 2017.

(2) WIND FACILITIES.—The amendments made
by subsection (c) shall apply to facilities the con-
struction of which begins after December 31, 2019.

SEC. 102. EXTENSION AND MODIFICATION OF ENERGY
CREDIT.

(a) EXTENSION OF CREDIT.—The following provi-
sions of section 48 are each amended by striking “January
1, 2022” each place it appears and inserting “January
1, 2027”:


(3) Subsection (c)(1)(D).
(4) Subsection (c)(2)(D).


(6) Subsection (c)(4)(C).

(b) PHASEOUT OF CREDIT.—Section 48(a) is amended—

(1) by striking “December 31, 2019” in paragraphs (6)(A)(i) and (7)(A)(i) and inserting “December 31, 2024”,

(2) by striking “December 31, 2020” in paragraphs (6)(A)(ii) and (7)(A)(ii) and inserting “December 31, 2025”,

(3) by striking “January 1, 2021” in paragraphs (6)(A)(i) and (7)(A)(i) and inserting “January 1, 2026”,

(4) by striking “January 1, 2022” each place it appears in paragraphs (6)(A), (6)(B), and (7)(A) and inserting “January 1, 2027”, and

(5) by striking “January 1, 2024” in paragraphs (6)(B) and (7)(B) and inserting “January 1, 2029”.

(c) 30 PERCENT CREDIT FOR SOLAR AND GEOTHERMAL.—

(1) EXTENSION FOR SOLAR.—Section 48(a)(2)(A)(i)(II) is amended by striking “January 1, 2022” and inserting “January 1, 2027”.
(2) APPLICATION TO GEOTHERMAL.—

(A) IN GENERAL.—Paragraphs (2)(A)(i)(II), (6)(A), and (6)(B) of section 48(a) are each amended by striking “paragraph (3)(A)(i)” and inserting “clause (i) or (iii) of paragraph (3)(A)”.

(B) CONFORMING AMENDMENT.—The heading of section 48(a)(6) is amended by inserting “AND GEOTHERMAL” after “SOLAR ENERGY”.

(d) ENERGY STORAGE TECHNOLOGIES; WASTE ENERGY RECOVERY PROPERTY; QUALIFIED BIOGAS PROPERTY.—

(1) IN GENERAL.—Section 48(a)(3)(A) is amended by striking “or” at the end of clause (vi), and by adding at the end the following new clauses:

“(viii) energy storage technology,

“(ix) waste energy recovery property,

or

“(x) qualified biogas property,”.

(2) APPLICATION OF 30 PERCENT CREDIT.—

Section 48(a)(2)(A)(i) is amended by striking “and” at the end of subclauses (III) and (IV) and adding at the end the following new subclauses:

“(V) energy storage technology,
“(VI) waste energy recovery property, and
“(VII) qualified biogas property,
and”.

(3) APPLICATION OF PHASEOUT.—Section 48(a)(7) is amended—

(A) by inserting “energy storage technology, waste energy recovery property, qualified biogas property,” after “qualified small wind property,”, and

(B) by striking “FIBER-OPTIC SOLAR, QUALIFIED FUEL CELL, AND QUALIFIED SMALL WIND” in the heading thereof and inserting “CERTAIN OTHER”.

(4) DEFINITIONS.—Section 48(e) is amended by adding at the end the following new paragraphs:

“(5) ENERGY STORAGE TECHNOLOGY.—
“(A) IN GENERAL.—The term ‘energy storage technology’ means equipment which —
“(i) uses batteries, compressed air, pumped hydropower, hydrogen storage (including hydrolysis), thermal energy storage, regenerative fuel cells, flywheels, capacitors, superconducting magnets, or other technologies identified by the Sec-
secretary, after consultation with the Secretary of Energy, to store energy for conversion to electricity and has a capacity of not less than 20 kilowatt hours, or

“(ii) stores thermal energy to heat or cool (or provide hot water for use in) a structure (other than for use in a swimming pool).

“(B) TERMINATION.—The term ‘energy storage technology’ shall not include any property the construction of which does not begin before January 1, 2027.

“(6) WASTE ENERGY RECOVERY PROPERTY.—

“(A) IN GENERAL.—The term ‘waste energy recovery property’ means property that generates electricity solely from heat from buildings or equipment if the primary purpose of such building or equipment is not the generation of electricity.

“(B) CAPACITY LIMITATION.—The term ‘waste energy recovery property’ shall not include any property which has a capacity in excess of 50 megawatts.

“(C) NO DOUBLE BENEFIT.—Any waste energy recovery property (determined without
regard to this subparagraph) which is part of a system which is a combined heat and power system property shall not be treated as waste energy recovery property for purposes of this section unless the taxpayer elects to not treat such system as a combined heat and power system property for purposes of this section.

“(D) TERMINATION.—The term ‘waste energy recovery property’ shall not include any property the construction of which does not begin before January 1, 2027.

“(7) QUALIFIED BIOGAS PROPERTY.—

“(A) IN GENERAL.—The term ‘qualified biogas property’ means property comprising a system which—

“(i) converts biomass (as defined in section 45K(c)(3)) into a gas which—

“(I) consists of not less than 52 percent methane, or

“(II) is concentrated by such system into a gas which consists of not less than 52 percent methane, and

“(ii) captures such gas for productive use.
“(B) INCLUSION OF CLEANING AND CONDITIONING PROPERTY.—The term ‘qualified biogas property’ includes any property which is part of such system which cleans or conditions such gas.

“(C) TERMINATION.—The term ‘qualified biogas property’ shall not include any property the construction of which does not begin before January 1, 2027.”.

(5) DENIAL OF DOUBLE BENEFIT FOR QUALIFIED BIOGAS PROPERTY.—Section 45(e) is amended by adding at the end the following new paragraph:

“(12) COORDINATION WITH ENERGY CREDIT FOR QUALIFIED BIOGAS PROPERTY.—The term ‘qualified facility’ shall not include any facility which produces electricity from gas produced by qualified biogas property (as defined in section 48(c)(7)) if a credit is determined under section 48 with respect to such property for the taxable year or any prior taxable year”.

(e) FUEL CELLS USING ELECTROMECHANICAL PROCESSES.—

(1) IN GENERAL.—Section 48(e)(1) is amended—

(A) in subparagraph (A)(i)—
(i) by inserting “or electromechanical’’ after “electrochemical”, and

(ii) by inserting “(200 kilowatts in the case of a fuel cell power plant with a linear generator assembly)” after “0.5 kilowatt”, and

(B) in subparagraph (C)—

(i) by inserting “, or linear generator assembly,” after “a fuel cell stack assembly”, and

(ii) by inserting “or electromechanical” after “electrochemical”.

(2) Linear Generator Assembly Limitation.—Section 48(c)(1) is amended by redesignating subparagraph (D) as subparagraph (E) and by inserting after subparagraph (C) the following new subparagraph:

“(D) Linear Generator Assembly.—The term ‘linear generator assembly’ does not include any assembly which contains rotating parts.”.

(f) Effective Date.—

(1) In General.—Except as otherwise provided in this subsection, the amendments made by
this section shall take effect on the date of the enactment of this Act.

(2) NEW CATEGORIES.—The amendments made by subsections (c)(2), (d), and (e) shall apply to periods after December 31, 2019, under rules similar to the rules of section 48(m) as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990.

SEC. 103. EXTENSION OF CREDIT FOR CARBON OXIDE SQUESTRATION.

(a) IN GENERAL.—Section 45Q(d)(1) is amended by striking “January 1, 2024” and inserting “January 1, 2025”.

(b) EFFECTIVE DATE.—The amendment made by this section applies to facilities the construction of which begins after December 31, 2023.

SEC. 104. ELECTIVE PAYMENT FOR ENERGY PROPERTY AND ELECTRICITY PRODUCED FROM CERTAIN RENEWABLE RESOURCES, ETC.

(a) IN GENERAL.—Subchapter B of chapter 65 is amended by adding at the end the following new section:
SEC. 6431. ELECTIVE PAYMENT FOR ENERGY PROPERTY
AND ELECTRICITY PRODUCED FROM CERTAIN RENEWABLE RESOURCES, ETC.

“(a) ENERGY PROPERTY.—In the case of a taxpayer making an election (at such time and in such manner as the Secretary may provide) under this section with respect to any portion of an energy credit which would (without regard to this section) be determined under section 48 with respect to such taxpayer or any portion of a renewable electricity production credit which would (without regard to this section) be determined under section 45 with respect to such taxpayer, such taxpayer shall be treated as making a payment against the tax imposed by subtitle A for the taxable year equal to—

“(1) in the case of an Indian tribal government (within the meaning of such term for purposes of section 139E), the amount of such portion, and

“(2) in the case of any other taxpayer, 85 percent of such amount.

“(b) TIMING.—The payment described in subsection (a) shall be treated as made on the later of the due date of the return of tax for such taxable year or the date on which such return is filed.

“(c) EXCLUSION FROM GROSS INCOME.—Gross income of the taxpayer shall be determined without regard to this section.
“(d) DENIAL OF DOUBLE BENEFIT.—Solely for purposes of section 38, in the case of a taxpayer making an election under this section, the energy credit determined under section 45 or the renewable electricity production credit determined under section 48 shall be reduced by the amount of the portion of such credit with respect to which the taxpayer makes such election.”.

(b) CLERICAL AMENDMENT.—The table of sections for subchapter B of chapter 65 is amended by adding at the end the following new item:

“Sec. 6431. Elective payment for energy property and electricity produced from certain renewable resources, etc.”.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to property originally placed in service after the date of the enactment of this Act.

SEC. 105. EXTENSION OF ENERGY CREDIT FOR OFFSHORE WIND FACILITIES.

(a) IN GENERAL.—Section 48(a)(5) is amended by adding at the end the following new subparagraph:

“(F) QUALIFIED OFFSHORE WIND FACILITIES.—

“(i) IN GENERAL.—In the case of any qualified offshore wind facility—

“(I) subparagraph (C)(ii) shall be applied by substituting ‘January 1 of the applicable year (as determined
under subparagraph (F)(ii))’ for ‘January 1, 2025’,

“(II) subparagraph (E) shall not apply, and

“(III) for purposes of this paragraph, section 45(d)(1) shall be applied by substituting ‘January 1 of the applicable year (as determined under section 48(a)(5)(F)(ii))’ for ‘January 1, 2025’.

“(ii) APPLICABLE YEAR.—For purposes of this subparagraph, the term ‘applicable year’ means the later of—

“(I) calendar year 2025, or

“(II) the calendar year subsequent to the first calendar year in which the Secretary, after consultation with the Secretary of Energy, determines that the United States has increased its offshore wind capacity by not less than 3,000 megawatts as compared to such capacity on January 1, 2020.

For purposes of subclause (II), the Secretary shall not include any increase in off-
shore wind capacity which is attributable to any facility the construction of which began before January 1, 2020.

“(iii) QUALIFIED OFFSHORE WIND FACILITY.—For purposes of this subparagraph, the term ‘qualified offshore wind facility’ means a qualified facility (within the meaning of section 45) described in paragraph (1) of section 45(d) (determined without regard to any date by which the construction of the facility is required to begin) which is located in the inland navigable waters of the United States or in the coastal waters of the United States.

“(iv) REPORT ON OFFSHORE WIND CAPACITY.—On January 15, 2024, and annually thereafter until the calendar year described in clause (ii)(II), the Secretary, after consultation with the Secretary of Energy, shall issue a report to be made available to the public which discloses the increase in the offshore wind capacity of the United States, as measured in total megawatts, since January 1, 2020.”.
(b) Effective Date.—The amendment made by this section shall apply to periods after December 31, 2019, under rules similar to the rules of section 48(m) of the Internal Revenue Code of 1986 (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990).

SEC. 106. GREEN ENERGY PUBLICLY TRADED PARTNERSHIPS.

(a) In General.—Section 7704(d)(1)(E) is amended—

(1) by striking “income and gains derived from the exploration” and inserting “income and gains derived from—

“(i) the exploration”,

(2) by inserting “or” before “industrial source”,

(3) by striking “, or the transportation or storage” and all that follows and inserting the following:

“(ii) the generation of electric power or thermal energy exclusively using any qualified energy resource (as defined in section 45(c)(1)),

“(iii) the operation of energy property (as defined in section 48(a)(3), determined without regard to any date by which the
construction of the facility is required to begin),

“(iv) in the case of a facility described in paragraph (3) or (7) of section 45(d) (determined without regard to any placed in service date or date by which construction of the facility is required to begin), the accepting or processing of open-loop biomass or municipal solid waste,

“(v) the storage of electric power or thermal energy exclusively using energy property that is energy storage property (as defined in section 48(e)(5)),

“(vi) the generation, storage, or distribution of electric power or thermal energy exclusively using energy property that is combined heat and power system property (as defined in section 48(e)(3), determined without regard to subparagraph (B)(iii) thereof and without regard to any date by which the construction of the facility is required to begin),

“(vii) the transportation or storage of any fuel described in subsection (b), (c), (d), or (e) of section 6426,
“(viii) the conversion of renewable biomass (as defined in subparagraph (I) of section 211(o)(1) of the Clean Air Act (as in effect on the date of the enactment of this clause)) into renewable fuel (as defined in subparagraph (J) of such section as so in effect), or the storage or transportation of such fuel,

“(ix) the production, storage, or transportation of any fuel which—

“(I) uses as its primary feedstock carbon oxides captured from an anthropogenic source or the atmosphere,

“(II) does not use as its primary feedstock carbon oxide which is deliberately released from naturally occurring subsurface springs, and

“(III) is determined by the Secretary, after consultation with the Secretary of Energy and the Administrator of the Environmental Protection Agency, to achieve a reduction of not less than a 60 percent in lifecycle greenhouse gas emissions (as defined in section 211(o)(1)(H) of the Clean
Air Act, as in effect on the date of the enactment of this clause) compared to baseline lifecycle greenhouse gas emissions (as defined in section 211(o)(1)(C) of such Act, as so in effect),

“(x) the generation of electric power from, a qualifying gasification project (as defined in section 48B(c)(1) without regard to subparagraph (C)) that is described in section 48(d)(1)(B), or

“(xi) in the case of a qualified facility (as defined in section 45Q(d), without regard to any date by which construction of the facility is required to begin) not less than 50 percent (30 percent in the case of a facility placed in service before January 1, 2020) of the total carbon oxide production of which is qualified carbon oxide (as defined in section 45Q(e))——

“(I) the generation, availability for such generation, or storage of electric power at such facility, or

“(II) the capture of carbon dioxide by such facility,”.
(b) EFFECTIVE DATE.—The amendments made by this section apply to taxable years beginning after December 31, 2019.

TITLE II—RENEWABLE FUELS

SEC. 201. BIODIESEL AND RENEWABLE DIESEL.

(a) INCOME TAX CREDIT.—Section 40A(g) is amended to read as follows:

“(g) PHASE OUT; TERMINATION.—

“(1) PHASE OUT.—In the case of any sale or use after December 31, 2021, subsections (b)(1)(A) and (b)(2)(A) shall be applied by substituting for ‘$1.00’—

“(A) ‘$.75’, if such sale or use is before January 1, 2023,

“(B) ‘$.50’, if such sale or use is after December 31, 2022, and before January 1, 2024, and

“(C) ‘$.33’, if such sale or use is after December 31, 2023, and before January 1, 2025.

“(2) TERMINATION.—This section shall not apply to any sale or use after December 31, 2024.”.

(b) EXCISE TAX INCENTIVES.—

(1) PHASE OUT.—Section 6426(c)(2) is amended to read as follows:
“(2) APPLICABLE AMOUNT.—For purposes of this subsection, the applicable amount is—

“(A) $1.00 in the case of any sale or use for any period before January 1, 2022,

“(B) $.75 in the case of any sale or use for any period after December 31, 2021, and before January 1, 2023,

“(C) $.50 in the case of any sale or use for any period after December 31, 2022, and before January 1, 2024, and

“(D) $.33 in the case of any sale or use for any period after December 31, 2023, and before January 1, 2025.”.

(2) TERMINATION.—

(A) In general.—Section 6426(c)(6) is amended by striking “December 31, 2017” and inserting “December 31, 2024”.

(B) Payments.—Section 6427(e)(6)(B) is amended by striking “December 31, 2017” and inserting “December 31, 2024”.

(3) Special rule.—Notwithstanding any other provision of law, in the case of any biodiesel mixture credit properly determined under section 6426(c) of the Internal Revenue Code of 1986 for the period beginning on January 1, 2018 and ending with the
close of the last calendar quarter beginning before
the date of the enactment of this Act, such credit
shall be allowed, and any refund or payment attrib-
utable to such credit (including any payment under
section 6427(e) of such Code) shall be made, only in
such manner as the Secretary of the Treasury (or
the Secretary’s delegate) shall provide. Such Sec-
retary shall issue guidance within 30 days after the
date of the enactment of this Act providing for a
one-time submission of claims covering periods de-
scribed in the preceding sentence. Such guidance
shall provide for a 180-day period for the submission
of such claims (in such manner as prescribed by
such Secretary) to begin not later than 30 days after
such guidance is issued. Such claims shall be paid
by such Secretary not later than 60 days after re-
cipt. If such Secretary has not paid pursuant to a
claim filed under this subsection within 60 days
after the date of the filing of such claim, the claim
shall be paid with interest from such date deter-
mined by using the overpayment rate and method
under section 6621 of such Code.

(e) EFFECTIVE DATE.—The amendments made by
this section shall apply to fuel sold or used after December
SEC. 202. EXTENSION OF EXCISE TAX CREDITS RELATING TO ALTERNATIVE FUELS.

(a) In General.—

(1) Extension and Phaseout of Alternative Fuel Credit.—

(A) In General.—Section 6426(d)(1) is amended by striking “50 cents” and inserting “the applicable amount”.

(B) Applicable Amount and Termination.—Section 6426(d)(5) is amended to read as follows:

“(5) Phaseout and Termination.—

“(A) Phaseout.—For purposes of this subsection, the applicable amount is—

“(i) 50 cents in the case of any sale or use for any period before January 1, 2022,

“(ii) 38 cents in the case of any sale or use for any period after December 31, 2021, and before January 1, 2023,

“(iii) 25 cents in the case of any sale or use for any period after December 31, 2022, and before January 1, 2024, and

“(iv) 17 cents in the case of any sale or use for any period after December 31, 2023, and before January 1, 2025.
“(B) **TERMINATION.**—This subsection shall not apply to any sale or use for any period after December 31, 2024.”.

(2) **ALTERNATIVE FUEL MIXTURE CREDIT.**—

(A) **IN GENERAL.**—Section 6426(e)(3) is amended by striking “December 31, 2017” and inserting “December 31, 2024”.

(B) **PHASEOUT.**—Section 6426(e)(1) is amended by striking “50 cents” and inserting “the applicable amount (as defined in subsection (d)(5)(A))”.

(3) **PAYMENTS FOR ALTERNATIVE FUELS.**—Section 6427(e)(6)(C) is amended by striking “December 31, 2017” and inserting “December 31, 2024”.

(4) **SPECIAL RULE.**—Notwithstanding any other provision of law, in the case of any alternative fuel credit properly determined under section 6426(d) of the Internal Revenue Code of 1986 for the period beginning on January 1, 2018, and ending with the close of the last calendar quarter beginning before the date of the enactment of this Act, such credit shall be allowed, and any refund or payment attributable to such credit (including any payment under section 6427(e) of such Code) shall be made, only in
such manner as the Secretary of the Treasury (or the Secretary’s delegate) shall provide. Such Secretary shall issue guidance within 30 days after the date of the enactment of this Act providing for a one-time submission of claims covering periods described in the preceding sentence. Such guidance shall provide for a 180-day period for the submission of such claims (in such manner as prescribed by such Secretary) to begin not later than 30 days after such guidance is issued. Such claims shall be paid by such Secretary not later than 60 days after receipt. If such Secretary has not paid pursuant to a claim filed under this subsection within 60 days after the date of the filing of such claim, the claim shall be paid with interest from such date determined by using the overpayment rate and method under section 6621 of such Code.

(5) **Effective date.**—The amendments made by this subsection shall apply to fuel sold or used after December 31, 2017.

(b) **Clarification of Rules Regarding Alternative Fuel Mixture Credit.**—

(1) **In general.**—Section 6426(e)(2) is amended by striking “mixture of alternative fuel” and inserting “mixture of alternative fuel (other
than a fuel described in subparagraph (A), (C), or (F) of subsection (d)(2))’’

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to—

(A) fuel sold or used on or after the date of the enactment of this Act, and

(B) fuel sold or used before such date of enactment, but only to the extent that credits and claims of credit under section 6426(e) of the Internal Revenue Code of 1986 with respect to such sale or use have not been paid or allowed as of such date.

SEC. 203. EXTENSION OF SECOND GENERATION BIOFUEL INCENTIVES.

(a) IN GENERAL.—Section 40(b)(6)(J)(i) is amended by striking “2018” and inserting “2025”.

(b) EXTENSION OF SPECIAL ALLOWANCE FOR DEPRECIATION OF SECOND GENERATION BIOFUEL PLANT PROPERTY.—Section 168(l)(2)(D) is amended by striking “2018” and inserting “2025”.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by subsection (a) shall apply to qualified second generation biofuel production after December 31, 2017.
(2) SECOND GENERATION BIOFUEL PLANT PROPERTY.—The amendment made by subsection (b) shall apply to property placed in service after December 31, 2017.

TITLE III—GREEN ENERGY AND EFFICIENCY INCENTIVES FOR INDIVIDUALS

SEC. 301. EXTENSION, INCREASE, AND MODIFICATIONS OF NONBUSINESS ENERGY PROPERTY CREDIT.

(a) EXTENSION OF CREDIT.—Section 25C(g)(2) is amended by striking “December 31, 2017” and inserting “December 31, 2024”.

(b) INCREASE IN CREDIT PERCENTAGE FOR QUALIFIED ENERGY EFFICIENCY IMPROVEMENTS.—Section 25C(a)(1) is amended by striking “10 percent” and inserting “15 percent”

(c) INCREASE IN LIFETIME LIMITATION OF CREDIT.—Section 25C(b)(1) is amended—

(1) by striking “$500” and inserting “$1,200”,

and

(2) by striking “December 31, 2005” and inserting “December 31, 2019”.

(d) LIMITATIONS.—Section 25C(b) is amended by striking paragraphs (2) and (3) and inserting the following:
“(2) LIMITATION ON QUALIFIED ENERGY EFFICIENCY IMPROVEMENTS.—The credit allowed under this section by reason of subsection (a)(1), with respect to costs paid or incurred by a taxpayer for a taxable year, shall not exceed—

“(A) for components described in subsection (c)(3)(A), the excess (if any) of $600 over the aggregate credits allowed under this section with respect to such components for all prior taxable years ending after December 31, 2019,

“(B) for components described in subsection (c)(3)(B),

“(i) in the case of components which are not described in clause (ii), the excess (if any) of $200 over the aggregate credits allowed under this section with respect to such components for all prior taxable years ending after December 31, 2019, and

“(ii) in the case of components which meet the standards for most efficient certification under applicable Energy Star program requirements, the excess (if any) of $600 over the aggregate credits allowed under this section with respect to such
components for all prior taxable years ending after December 31, 2019, or with respect to components described in clause (i) for such taxable year,

“(C) for components described in subsection (c)(3)(C) by any taxpayer for any taxable year, the credit allowed under this section with respect to such amounts for such year shall not exceed the lesser of—

“(i) the excess (if any) of $500 over the aggregate credits allowed under this section with respect to such amounts for all prior taxable years ending after December 31, 2019, or

“(ii) $250 for each exterior door.

“(3) LIMITATION ON RESIDENTIAL ENERGY PROPERTY EXPENDITURES.—The credit allowed under this section by reason of subsection (a)(2) shall not, with respect to an item of property, exceed—

“(A) in the case of property described in subparagraph (A), (B), or (C) of subsection (d)(3), $600, and
“(B) for the case of property described in subparagraph (D) of subsection (d)(3), $400, and
“(C) in the case of a hot water boiler, $600, and
“(D) in the case of a furnace, an amount equal to the sum of—
“(i) $300, plus
“(ii) if the taxpayer is converting from a non-condensing furnace to a condensing furnace, $300.”.

(e) Standards for Energy Efficient Building Envelope Components.—Section 25C(c)(2) is amended by striking “meets—” and all that follows through the period at the end and inserting the following: “meets—
“(A) in the case of an exterior window, a skylight, or an exterior door, applicable Energy Star program requirements, and
“(B) in the case of any other component, the prescriptive criteria for such component established by the 2018 IECC (as such term is defined in section 45L(b)(5)).”.

(f) Roofs Not Building Envelope Components.—Section 25C(c)(3) is amended by adding “and” at the end of subparagraph (B), by striking “, and” at
the end of subparagraph (C) and inserting a period, and
by striking subparagraph (D).

(g) **ADVANCED MAIN AIR CIRCULATING FANS NOT**
**QUALIFIED ENERGY PROPERTY.**—

(1) **IN GENERAL.**—Section 25C(d)(2)(A) is
amended by adding “or” at the end of clause (i), by
striking “, or” at the end of clause (ii) and inserting
a period, and by striking clause (iii).

(2) **CONFORMING AMENDMENT.**—Section
25C(d) is amended by striking paragraph (5) and
redesignating paragraph (6) as paragraph (5).

(h) **INCREASE IN STANDARD FOR ELECTRIC HEAT**
**PUMP WATER HEATER.**—Section 25C(d)(3)(A) is amend-
ed by striking “an energy factor of at least 2.0” and in-
serting “a uniform energy factor of at least 3.0”.

(i) **UPDATE OF STANDARDS FOR CERTAIN ENERGY-
**EFFECTIVE BUILDING PROPERTY.**—Section 25C(d)(3) is
amended—

(1) by striking “January 1, 2009” each place
such term appears and inserting “November 1,
2019”, and

(2) by striking subparagraph (D) and inserting
the following:
“(D) a natural gas, propane, or oil water heater which, in the standard Department of Energy test procedure, yields—

“(i) in the case of a storage tank water heater—

“(I) in the case of a medium-draw water heater, a uniform energy factor of not less than 0.78, and

“(II) in the case of a high-draw water heater, a uniform energy factor of not less than 0.80, and

“(ii) in the case of a tankless water heater—

“(I) in the case of a medium-draw water heater, a uniform energy factor of not less than 0.87, and

“(II) in the case of a high-draw water heater, a uniform energy factor of not less than 0.90, and”.

(j) INCREASE IN STANDARD FOR FURNACES.—Section 25C(d)(4) is amended by striking by striking “not less than 95.” and inserting the following: “not less than—

“(A) in the case of a furnace, 97 percent,
“(B) in the case of a hot water boiler, 95 percent.”.

(k) **HOME ENERGY AUDITS.**—

(1) **IN GENERAL.**—Section 25C(a) is amended by striking “and” at the end of paragraph (1), by striking the period at the end of paragraph (2) and inserting “, and”, and by adding at the end the following new paragraph:

“(3) 30 percent of the amount paid or incurred by the taxpayer during the taxable year for home energy audits.”.

(2) **LIMITATION.**—Section 25C(b) is amended adding at the end the following new paragraph:

“(4) **HOME ENERGY AUDITS.**—The amount of the credit allowed under this section by reason of subsection (a)(3) shall not exceed $150.”.

(3) **HOME ENERGY AUDITS.**—Section 25C, as amended by subsections (a), is amended by redesignating subsections (e), (f), and (g), as subsections (f), (g), and (h), respectively, and by inserting after subsection (d) the following new subsection:

“(e) **HOME ENERGY AUDITS.**—For purposes of this section, the term ‘home energy audit’ means an inspection and written report with respect to a dwelling unit located in the United States and owned or used by the taxpayer...
as the taxpayer’s principal residence (within the meaning of section 121) which—

“(1) identifies the most significant and cost-effective energy efficiency improvements with respect to such dwelling unit, including an estimate of the energy and cost savings with respect to each such improvement, and

“(2) is conducted and prepared by a home energy auditor that meets the certification or other requirements specified by the Secretary (after consultation with the Secretary of Energy, and not later than 180 days after the date of the enactment of this subsection) in regulations or other guidance.”.

(4) Conforming Amendment.—Section 1016(a)(33) is amended by striking “section 25C(f)” and inserting “section 25C(g)”.

(l) Effective Dates.—

(1) Increase and Modernization.—Except as otherwise provided by this subsection, the amendments made by this section shall apply to property placed in service after December 31, 2019.

(2) Extension.—The amendments made by subsection (a) shall apply to property placed in service after December 31, 2017.
(3) HOME ENERGY AUDITS.—The amendments made by subsection (k) shall apply to amounts paid or incurred after December 31, 2019.

SEC. 302. RESIDENTIAL ENERGY EFFICIENT PROPERTY.

(a) EXTENSION OF CREDIT.—

(1) IN GENERAL.—Section 25D(h) is amended by striking “December 31, 2021” and inserting “December 31, 2026”.

(2) APPLICATION OF PHASEOUT.—Section 25D(g) is amended—

(A) in paragraph (1), by striking “January 1, 2020” and inserting “January 1, 2025”,

(B) in paragraph (2)—

(i) by striking “December 31, 2019” and inserting “December 31, 2024”, and

(ii) by striking “January 1, 2021” and inserting “January 1, 2026”, and

(C) in paragraph (3)—

(i) by striking “December 31, 2020” and inserting “December 31, 2025”, and

(ii) by striking “January 1, 2022” and inserting “January 1, 2027”.

(b) QUALIFIED BIOMASS FUEL PROPERTY EXPENDITURES; RESIDENTIAL ENERGY EFFICIENT PROPERTY CREDIT FOR BATTERY STORAGE TECHNOLOGY.—
(1) IN GENERAL.—Section 25D(a) is amended by striking “and” at the end of paragraph (4) and by inserting after paragraph (5) the following new paragraphs:

“(6) the qualified biomass fuel property expenditures, and

“(7) the qualified battery storage technology expenditures,”.

(2) QUALIFIED BIOMASS FUEL PROPERTY EXPENDITURES; RESIDENTIAL ENERGY EFFICIENT PROPERTY CREDIT FOR BATTERY STORAGE TECHNOLOGY.—Section 25D(d) is amended by adding at the end the following new paragraphs:

“(6) QUALIFIED BIOMASS FUEL PROPERTY EXPENDITURE.—

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

“(i) which uses the burning of biomass fuel to heat a dwelling unit located in the United States and used as a residence by the taxpayer, or to heat water for use in such a dwelling unit, and
“(ii) which has a thermal efficiency rating of at least 75 percent (measured by the higher heating value of the fuel).”

“(B) BIOMASS FUEL.—For purposes of this section, the term ‘biomass fuel’ means any plant-derived fuel available on a renewable or recurring basis.

“(7) QUALIFIED BATTERY STORAGE TECHNOLOGY EXPENDITURE.—The term ‘qualified battery storage technology expenditure’ means an expenditure for battery storage technology which—

“(A) is installed in connection with a dwelling unit located in the United States and used as a residence by the taxpayer, and

“(B) has a capacity of not less than 3 kilowatt hours.”.

(3) DENIAL OF DOUBLE BENEFIT FOR BIOMASS STOVES.—

(A) IN GENERAL.—Section 25C(d)(3) is amended by adding “and” at the end of subparagraph (C), by striking “, and” at the end of subparagraph (D) and inserting a period, and by striking subparagraph (E).

(B) CONFORMING AMENDMENT.—Section 25C(d), as amended by the preceding provisions
of this Act, is amended by striking paragraph (5).

(c) Effective Date.—The amendments made by this section shall apply to expenditures made after the date of the enactment of this Act.

SEC. 303. ENERGY EFFICIENT COMMERCIAL BUILDINGS DEDUCTION.

(a) Extension.—Section 179D(h) is amended by striking “December 31, 2017” and inserting “December 31, 2024”.

(b) Increase in the Maximum Amount of Deduction.—

(1) In General.—Section 179D(b) is amended by striking “$1.80” and inserting “$3”.

(2) Inflation Adjustment.—Section 179D is amended by adding at the end the following new subsection:

“(i) Inflation Adjustment.—In the case of a taxable year beginning after 2020, each dollar amount in subsection (b) or subsection (d)(1)(A) shall be increased by an amount equal to—

“(1) such dollar amount, multiplied by

“(2) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting
calendar year 2019’ for ‘calendar year 2016’ in sub-
paragraph (A)(ii) thereof.’’.

(3) **CONFORMING AMENDMENT.**—Section
179D(d)(1)(A) is amended by striking ‘‘by sub-
stituting ‘‘$.60’’ for ‘‘$1.80’’’’ and inserting ‘‘by sub-
stituting ‘‘$1’’ for ‘‘$3’’’’.

(c) **LIMIT ON DEDUCTION LIMITED TO THREE-YEAR PERIOD.**—Section 179D(b)(2) is amended by striking ‘‘for all prior taxable years’’ and inserting ‘‘for the 3 years im-
mediately preceding such taxable year’’.

(d) **UPDATE OF STANDARDS.**—

(1) **ASHRAE STANDARDS.**—Section 179D(c) is
amended—

(A) in paragraphs (1)(B)(ii) and (1)(D),
by striking ‘‘Standard 90.1–2007’’ and insert-
ing ‘‘Reference Standard 90.1’’, and

(B) by amending paragraph (2) to read as
follows:

“(2) **REFERENCE STANDARD 90.1.**—The term
‘Reference Standard 90.1’ means, with respect to
property, the Standard 90.1 most recently adopted
(as of the date that is 2 years before the date that
construction of such property begins) by the Amer-
ican Society of Heating, Refrigerating, and Air Con-
ditioning Engineers and the Illuminating Engineering Society of North America.”.

(2) CALIFORNIA NONRESIDENTAL ALTERNATIVE CALCULATION METHOD APPROVAL MANUAL.—Section 179D(d)(2) is amended by striking “2005” and inserting “2019”.

(e) CHANGE IN EFFICIENCY STANDARDS.—Section 179D(c)(1)(D) is amended by striking “50” and inserting “30”.

(f) PAYMENT FOR PUBLIC PROPERTY.—Section 179D(d)(4) is amended to read as follow:

“(4) PAYMENT FOR PUBLIC PROPERTY.—

“(A) IN GENERAL.—In the case of energy efficient commercial building property placed in service by a State or local government or a political subdivision thereof, such government or subdivision shall be treated as making a payment against the tax imposed by subtitle A for the taxable year equal to 10 percent of the amount allowable as a deduction under subsection (a) with respect to such property.

“(B) TIMING.—The payment described in subparagraph (A) shall be treated as made on—
“(i) in the case of a State or local government or a political subdivision thereof for which no return is required under section 6011 or 6033(a), the later of the date that a return would be due under section 6033(a) if such government or subdivision were described in that section or the date on which such government or subdivision submits a claim for credit or refund (at such time and in such manner as the Secretary shall provide), and

“(ii) in any other case, the later of the due date of the return of tax for the taxable year or the date on which such return is filed.”.

(g) DEADWOOD.—Section 179D, as amended by subsection (a), is amended by striking subsection (f) and redesignating subsections (g) and (h) as subsections (f) and (g), respectively.

(h) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided by paragraph (2), amendments made by this section shall apply to property placed in service after December 31, 2019.
SEC. 304. EXTENSION, INCREASE, AND MODIFICATIONS OF NEW ENERGY EFFICIENT HOME CREDIT.

(a) Extension of Credit.—Section 45L(g) is amended by striking “December 31, 2017” and inserting “December 31, 2024”.

(b) Increase in Credit for Certain Dwelling Units.—Section 45L(a)(2)(A) is amended by striking “$2,000” and inserting “$2,500”.

(c) Increase in Standard for Heating and Cooling Reduction for Certain Units.—Section 45L(c)(1) is amended by striking “50 percent” each place such term appears and inserting “60 percent”.

(d) Energy Saving Requirements Modifications.—

(1) All Energy Star Labeled Homes Eligible; No Reduction in Standard.—Section 45L(c) is amended by amending paragraph (3) to read as follows:

“(3) a unit which meets the requirements established by the Administrator of the Environmental Protection Agency under the Energy Star Labeled Homes program and, in the case of a manufactured
home, which conforms to Federal Manufactured
Home Construction and Safety Standards (part
3280 of title 24, Code of Federal Regulations).”.

(2) **Units constructed in accordance with 2018 IECC standards.**—Section 45L(c), as
amended by paragraph (1), is further amended by
striking “or” at the end of paragraph (2), by strik-
ing the period at the end of paragraph (3) and in-
serting “, or”, and by adding at the end the fol-
lowing new paragraph:

“(4) certified—

“(A) to have a level of annual energy con-
sumption which is at least 15 percent below the
annual level of energy consumption of a com-
parable dwelling unit—

“(i) which is constructed in accord-
ance with the standards of chapter 4 of the
2018 IECC (without taking into account
on-site energy generation), and

“(ii) which meets the requirements de-
scribed in paragraph (1)(A)(ii), and

“(B) to have building envelope component
improvements account for at least 1/5 of such
15 percent.”.

(3) **Conforming amendments.**—
(A) Section 45L(c)(2) is amended by inserting “or (4)” after “paragraph (1)”.

(B) Section 45L(a)(2)(A) is amended by striking “or (2)” and inserting “, (2), or (4)”.

(C) Section 45L(b) is amended by adding at the end the following:

“(5) 2018 IECC.—The term ‘2018 IECC’ means the 2018 International Energy Conservation Code, as such Code (including supplements) is in effect on November 1, 2018.”.

(e) EFFECTIVE DATES.—

(1) MODERNIZATION.—Unless otherwise provided by this subsection, amendments made by this section shall apply to dwelling units acquired after December 31, 2020.

(2) EXTENSION.—The amendment made by subsection (a) shall apply to qualified new energy efficient homes acquired after December 31, 2017.

SEC. 305. MODIFICATIONS TO INCOME EXCLUSION FOR CONSERVATION SUBSIDIES.

(a) In General.—Section 136(a) is amended—

(1) by striking “any subsidy provided” and inserting “any subsidy—

“(1) provided”,

(75030915)
(2) by striking the period at the end and inserting a comma, and

(3) by adding at the end the following new paragraphs:

“(2) provided (directly or indirectly) by a public utility to a customer, or by a State or local government to a resident of such State or locality, for the purchase or installation of any water conservation or efficiency measure, or

“(3) provided (directly or indirectly) by a storm water management provider to a customer, or by a State or local government to a resident of such State or locality, for the purchase or installation of any storm water management measure.”.

(b) CONFORMING AMENDMENTS.—

(1) Definition of water conservation or efficiency measure and storm water management measure.—Section 136(c) is amended—

(A) by striking “ENERGY CONSERVATION MEASURE” in the heading thereof and inserting “DEFINITIONS”,

(B) by striking “IN GENERAL” in the heading of paragraph (1) and inserting “ENERGY CONSERVATION MEASURE”, and
(C) by redesignating paragraph (2) as paragraph (4) and by inserting after paragraph (1) the following:

“(2) WATER CONSERVATION OR EFFICIENCY MEASURE.—For purposes of this section, the term ‘water conservation or efficiency measure’ means any evaluation of water use, or any installation or modification of property, the primary purpose of which is to reduce consumption of water or to improve the management of water demand with respect to one or more dwelling units.

“(3) STORM WATER MANAGEMENT MEASURE.—For purposes of this section, the term ‘storm water management measure’ means any installation or modification of property primarily designed to reduce or manage amounts of storm water with respect to one or more dwelling units.”.

(2) DEFINITION OF PUBLIC UTILITY.—Section 136(c)(4) (as redesignated by paragraph (1)(C)) is amended by striking subparagraph (B) and inserting the following:

“(B) PUBLIC UTILITY.—The term ‘public utility’ means a person engaged in the sale of electricity, natural gas, or water to residential,
commercial, or industrial customers for use by such customers.

“(C) Storm water management provider.—The term ‘storm water management provider’ means a person engaged in the provision of storm water management measures to the public.

“(D) Person.—For purposes of subparagraphs (B) and (C), the term ‘person’ includes the Federal Government, a State or local government or any political subdivision thereof, or any instrumentality of any of the foregoing.”.

(3) Clerical amendments.—

(A) The heading of section 136 is amended—

(i) by inserting “AND WATER” after “ENERGY”, and

(ii) by striking “PROVIDED BY PUBLIC UTILITIES”.

(B) The item relating to section 136 in the table of sections of part III of subchapter B of chapter 1 is amended—

(i) by inserting “and water” after “energy”, and
(ii) by striking “provided by public utilities”.

c) Effective Date.—The amendments made by this section shall apply to amounts received after December 31, 2019.

(d) No Inference.—Nothing in this Act or the amendments made by this Act shall be construed to create any inference with respect to the proper tax treatment of any subsidy received directly or indirectly from a public utility, a storm water management provider, or a State or local government for any water conservation measure or storm water management measure before January 1, 2020.

TITLE IV—GREENING THE FLEET AND ALTERNATIVE VEHICLES

SEC. 401. MODIFICATION OF LIMITATIONS ON NEW QUALIFIED PLUG-IN ELECTRIC DRIVE MOTOR VEHICLE CREDIT.

(a) In General.—Section 30D(e) is amended to read as follows:

“(e) Limitation on Number of New Qualified Plug-in Electric Drive Motor Vehicles Eligible for Credit.—
“(1) IN GENERAL.—In the case of any new
qualified plug-in electric drive motor vehicle sold
after the date of the enactment of the GREEN Act
of 2019—

“(A) if such vehicle is sold during the tran-
sition period, the amount determined under
subsection (b)(2) shall be reduced by $500, and

“(B) if such vehicle is sold during the
phaseout period, only the applicable percentage
of the credit otherwise allowable under sub-
section (a) shall be allowed.

“(2) TRANSITION PERIOD.—For purposes of
this subsection, the transition period is the period
subsequent to the first date on which the number of
new qualified plug-in electric drive motor vehicles
manufactured by the manufacturer of the vehicle re-
ferred to in paragraph (1) sold for use in the United
States after December 31, 2009, is at least 200,000.

“(3) PHASEOUT PERIOD.—

“(A) IN GENERAL.—For purposes of this
subsection, the phaseout period is the period be-
beginning with the second calendar quarter fol-
lowing the calendar quarter which includes the
first date on which the number of new qualified
plug-in electric drive motor vehicles manufac-
tured by the manufacturer of the vehicle referred to in paragraph (1) sold for use in the United States after December 31, 2009, is at least 600,000.

“(B) APPLICABLE PERCENTAGE.—For purposes of paragraph (1)(B), the applicable percentage is—

“(i) 50 percent for the first calendar quarter of the phaseout period, and

“(ii) 0 percent for each calendar quarter thereafter.

“(C) EXCLUSION OF SALE OF CERTAIN VEHICLES.—

“(i) IN GENERAL.—For purposes of subparagraph (A), any new qualified plug-in electric drive motor vehicle manufactured by the manufacturer of the vehicle referred to in paragraph (1) which was sold during the exclusion period shall not be included for purposes of determining the number of such vehicles sold.

“(ii) EXCLUSION PERIOD.—For purposes of this subparagraph, the exclusion period is the period—
“(I) beginning on the first date on which the number of new qualified plug-in electric drive motor vehicles manufactured by the manufacturer of the vehicle referred to in paragraph (1) sold for use in the United States after December 31, 2009, is at least 200,000, and

“(II) ending on the date of the enactment of the GREEN Act of 2019.

“(4) CONTROLLED GROUPS.—Rules similar to the rules of section 30B(f)(4) shall apply for purposes of this subsection.”.

(b) EXTENSION FOR 2- AND 3-WHEELED PLUG-IN ELECTRIC VEHICLES.—Section 30D(g)(3)(E) is amended to read as follows:

“(E) is acquired—

“(i) in the case of a vehicle that has

3 wheels, after December 31, 2019, and

before January 1, 2025, or

“(ii) in the case of a vehicle that has

2 wheels, after December 31, 2017, and

before January 1, 2025.”.

(c) EFFECTIVE DATE.—
(1) Limitation.—The amendment made by subsection (a) shall apply to vehicles sold after the date of the enactment of this Act.

(2) Extension.—The amendment made by subsection (b) shall apply—

(A) in the case of a vehicle that has 3 wheels, to vehicles sold after December 31, 2019, and

(B) in the case of a vehicle that has 2 wheels, to vehicles sold after December 31, 2017.

SEC. 402. CREDIT FOR PREVIOUSLY-OWNED QUALIFIED PLUG-IN ELECTRIC DRIVE MOTOR VEHICLES.

(a) In General.—Subpart A of part IV of subchapter A of chapter 1 is amended by inserting after section 25D the following new section:

“SEC. 25E. PREVIOUSLY-OWNED QUALIFIED PLUG-IN ELECTRIC DRIVE MOTOR VEHICLES.

“(a) Allowance of Credit.—In the case of a qualified buyer who during a taxable year places in service a previously-owned qualified plug-in electric drive motor vehicle, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of—

“(1) $1,250, plus
“(2) in the case of a vehicle which draws propulsion energy from a battery which exceeds 4 kilowatt hours of capacity (determined at the time of sale), the lesser of—

“(A) $1,250, and

“(B) the product of $208.50 and such excess kilowatt hours.

“(b) LIMITATIONS.—

“(1) SALE PRICE.—The credit allowed under subsection (a) with respect to sale of a vehicle shall not exceed 30 percent of the sale price.

“(2) ADJUSTED GROSS INCOME.—The amount which would (but for this paragraph) be allowed as a credit under subsection (a) shall be reduced (but not below zero) by $250 for each $1,000 (or fraction thereof) by which the taxpayer’s adjusted gross income exceeds $30,000 (twice such amount in the case of a joint return).

“(c) DEFINITIONS.—For purposes of this section—

“(1) PREVIOUSLY-OWNED QUALIFIED PLUG-IN ELECTRIC DRIVE MOTOR VEHICLE.—The term ‘previously-owned qualified plug-in electric drive motor vehicle’ means, with respect to a taxpayer, a motor vehicle—
“(A) the model year of which is at least 2 earlier than the calendar year in which the taxpayer acquires such vehicle,

“(B) the original use of which commences with a person other than the taxpayer,

“(C) which is acquired by the taxpayer in a qualified sale,

“(D) registered by the taxpayer for operation in a State or possession of the United States, and

“(E) which meets the requirements of subparagraphs (C), (D), (E), and (F) of section 30D(d)(1).

“(2) QUALIFIED SALE.—The term ‘qualified sale’ means a sale of a motor vehicle—

“(A) by a person who holds such vehicle in inventory (within the meaning of section 471) for sale or lease,

“(B) for a sale price of less than $25,000, and

“(C) which is the first transfer since the date of the enactment of this section to a person other than the person with whom the original use of such vehicle commenced.
“(3) QUALIFIED BUYER.—The term ‘qualified buyer’ means, with respect to a sale of a motor vehicle, a taxpayer—

“(A) who is an individual,

“(B) who purchases such vehicle for use and not for resale,

“(C) with respect to whom no deduction is allowable with respect to another taxpayer under section 151,

“(D) who has not been allowed a credit under this section for any sale during the 3-year period ending on the date of the sale of such vehicle, and

“(E) who possesses a certificate issued by the seller that certifies—

“(i) that the vehicle is a previously-owned qualified plug-in electric drive motor vehicle,

“(ii) the capacity of the battery at time of sale, and

“(iii) such other information as the Secretary may require.

“(4) MOTOR VEHICLE; CAPACITY.—The terms ‘motor vehicle’ and ‘capacity’ have the meaning
given such terms in paragraphs (2) and (4) of section 30D(d), respectively.

“(d) Application of Certain Rules.—For purposes of this section, rules similar to the rules of paragraphs (1), (2), (4), (5), (6) and (7) of section 30D(f) shall apply for purposes of this section.

“(e) Certificate Submission Requirement.—The Secretary may require that the issuer of the certificate described in subsection (c)(3)(E) submit such certificate to the Secretary at the time and in the manner required by the Secretary.

“(f) Termination.—No credit shall be allowed under this section with respect to sales after December 31, 2024.”.

(b) Clerical Amendment.—The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 25D the following new item:

“Sec. 25E. Previously-owned qualified plug-in electric drive motor vehicles.”.

(c) Effective Date.—The amendments made by this section shall apply to sales after the date of the enactment of this Act.
SEC. 403. CREDIT FOR ZERO-EMISSION HEAVY VEHICLES AND ZERO-EMISSION BUSES.

(a) In General.—Subpart D of part IV of subchapter A of chapter 1 is amended by adding at the end the following new section:

“SEC. 45T. ZERO-EMISSION HEAVY VEHICLE CREDIT.

“(a) Allowance of Credit.—For purposes of section 38, in the case of a manufacturer of a zero-emission heavy vehicle, the zero-emission heavy vehicle credit determined under this section for a taxable year is an amount equal to 10 percent of the sum of the sale price of each zero-emission heavy vehicle sold by such taxpayer during such taxable year.

“(b) Limitation.—The sale price of a zero-emission heavy vehicle may not be taken into account under subsection (a) to the extent such price exceeds $1,000,000.

“(c) Zero-Emission Heavy Vehicle.—For purposes of this section—

“(1) In General.—The term ‘zero-emission heavy vehicle’ means a motor vehicle which—

“(A) has a gross vehicle weight rating of not less than 14,000 pounds,

“(B) is not powered or charged by an internal combustion engine, and
“(C) is propelled solely by an electric motor which draws electricity from a battery or fuel cell.

“(2) MOTOR VEHICLE; MANUFACTURER.—The term ‘motor vehicle’ and ‘manufacturer’ have the meaning given such terms in paragraphs (2) and (3) of section 30D(d), respectively.

“(d) SPECIAL RULES.—

“(1) SALE PRICE.—For purposes of this section, the sale price of a zero-emission heavy vehicle shall be reduced by any rebate or other incentive given before, on, or after the date of the sale.

“(2) DOMESTIC USE.—No credit shall be allowed under subsection (a) with respect to a zero-emission heavy vehicle to a manufacturer who knows or has reason to know that such vehicle will not be used primarily in the United States or a possession of the United States.

“(3) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section.

“(e) TERMINATION.—This section shall not apply to sales after December 31, 2024.”.

(b) CREDIT MADE PART OF GENERAL BUSINESS CREDIT.—Subsection (b) of section 38 is amended by
striking “plus” at the end of paragraph (31), by striking the period at the end of paragraph (32) and inserting “, plus”, and by adding at the end the following new paragraph:

“(33) the zero-emission heavy vehicle credit determined under section 45T.”.

(c) Clerical Amendment.—The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by adding at the end the following new item:

“Sec. 45T. Zero-emission heavy vehicle credit.”.

(d) Effective Date.—The amendments made by this section shall apply to sales after the date of the enactment of this Act.

SEC. 404. QUALIFIED FUEL CELL MOTOR VEHICLES.

(a) In General.—Section 30B(k)(1) is amended by striking “December 31, 2017” and inserting “December 31, 2024”.

(b) Effective Date.—The amendment made by this section shall apply to property placed in service after December 31, 2017.

SEC. 405. ALTERNATIVE FUEL REFUELING PROPERTY CREDIT.

(a) In General.—Section 30C(g) is amended by striking “December 31, 2017” and inserting “December 31, 2024”.

SEC. 406. ZERO-EMISSION HEAVY VEHICLE CREDIT.

(a) In General.—Section 45T is amended by inserting “, plus” at the end of paragraph (32) and by adding at the end the following new paragraph:

“(33) the zero-emission heavy vehicle credit determined under section 45T.”.

(c) Clerical Amendment.—The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by adding at the end the following new item:

“Sec. 45T. Zero-emission heavy vehicle credit.”.

(d) Effective Date.—The amendments made by this section shall apply to sales after the date of the enactment of this Act.
(b) ADDITIONAL CREDIT FOR CERTAIN ELECTRIC CHARGING PROPERTY.—

(1) IN GENERAL.—Section 30C(a) is amended—

(A) by striking “equal to 30 percent” and inserting the following: “equal to the sum of—

“(1) 30 percent”.

(B) by striking the period at the end and inserting “, plus”, and

(C) by adding at the end the following new paragraph:

“(2) 20 percent of so much of such cost as exceeds the limitation under subsection (b)(1) that does not exceed the amount of cost attributable to qualified alternative vehicle refueling property (determined without regard to paragraphs (1), (2)(A), and (2)(B) of subsection (c)) which—

“(A) is intended for general public use and recharges motor vehicle batteries with no associated fee or payment arrangement,

“(B) is intended for general public use and accepts payment via a credit card reader, or

“(C) is intended for use exclusively by fleets of commercial or governmental vehicles.”.
(2) CONFORMING AMENDMENT.—Section 30C(b) is amended—

(A) by striking “The credit allowed under subsection (a)” and inserting “The amount of cost taken into account under subsection (a)(1)”,

(B) by striking “$30,000” and inserting “$100,000”, and

(C) by striking “$1,000” and inserting “$3333.33”.

c EFFECTIVE DATE.—

(1) EXTENSION.—The amendment made by subsection (a) shall apply to property placed in service after December 31, 2017.

(2) LIMITATION FOR ELECTRIC CHARGING BUSINESS PROPERTY.—The amendments made by subsection (b) shall apply to property placed in service after December 31, 2019.

TITLE V—INVESTMENT IN THE GREEN WORKFORCE

SEC. 501. EXTENSION OF THE ADVANCED ENERGY PROJECT CREDIT.

(a) IN GENERAL.—Section 48C is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (d) the following new subsection:
“(e) ADDITIONAL ALLOCATIONS.—

“(1) IN GENERAL.—Not later than 180 days after the date of enactment of this paragraph, the Secretary, after consultation with the Secretary of Energy, shall establish a program to designate amounts of qualifying advanced project credit limitation to qualifying advanced energy projects.

“(2) ANNUAL LIMITATION.—

“(A) IN GENERAL.—The amount of qualifying advanced project credit limitation that may be designated under this subsection during any calendar year shall not exceed the annual credit limitation with respect to such year.

“(B) ANNUAL CREDIT LIMITATION.—For purposes of this subsection, the term ‘annual credit limitation’ means $2,500,000,000 for each of calendar years 2020, 2021, 2022, 2023, and 2024, and zero thereafter.

“(C) CARRYOVER OF UNUSED LIMITATION.—If the annual credit limitation for any calendar year exceeds the aggregate amount designated for such year under this subsection, such limitation for the succeeding calendar year shall be increased by the amount of such excess.
No amount may be carried under the preceding sentence to any calendar year after 2024.

“(3) Placed in Service Deadline.—No credit shall be determined under subsection (a) with respect to any property which is placed in service after the date that is 4 years after the date of the designation under this subsection relating to such property.

“(4) Selection Criteria.—Selection criteria similar to those in subsection (d)(3) shall apply, except that in determining designations under this subsection, the Secretary, after consultation with the Secretary of Energy, shall give the highest priority to projects which manufacture (other than assembly of components) property described in a subclause of subsection (c)(1)(A)(i) (or components thereof).

“(5) Disclosure of Designations.—Rules similar to the rules of subsection (d)(5) shall apply for purposes of this subsection.”.

(b) Effective Date.—The amendment made by this section shall take effect on the date of the enactment of this Act.

(e) Progress Report.—During the 30-day period ending on December 31, 2025, the Secretary of the Treasury (or the Secretary’s delegate), after consultation with
the Secretary of Labor, shall submit a report to Congress on the domestic job creation, and wages associated with such jobs, attributable to the amendment made by this section.

SEC. 502. LABOR COSTS OF INSTALLING MECHANICAL INSULATION PROPERTY.

(a) In General.—Subpart D of part IV of subchapter A of chapter 1, as amended by the preceding provisions of this Act, is further amended by adding at the end the following new section:

“SEC. 45U. LABOR COSTS OF INSTALLING MECHANICAL INSULATION PROPERTY.

“(a) In General.—For purposes of section 38, the mechanical insulation labor costs credit determined under this section for any taxable year is an amount equal to 10 percent of the mechanical insulation labor costs paid or incurred by the taxpayer during such taxable year.

“(b) Mechanical Insulation Labor Costs.—For purposes of this section—

“(1) In General.—The term ‘mechanical insulation labor costs’ means the labor cost of installing mechanical insulation property with respect to a mechanical system referred to in paragraph (2)(A) which was originally placed in service not less than
1 year before the date on which such mechanical insu-
lation property is installed.

“(2) MECHANICAL INSULATION PROPERTY.—
The term ‘mechanical insulation property’ means in-
sulation materials, and facings and accessory prod-
ucts installed in connection to such insulation mate-
rials—

“(A) placed in service in connection with a
mechanical system which—

“(i) is located in the United States,
and

“(ii) is of a character subject to an al-
lowance for depreciation, and

“(B) which result in a reduction in energy
loss from the mechanical system which is great-
er than the expected reduction from the instal-
lution of insulation materials which meet the
minimum requirements of Reference Standard
90.1 (as defined in section 179D(c)(2)).

“(c) TERMINATION.—This section shall not apply to
mechanical insulation labor costs paid or incurred after
December 31, 2024.”.

(b) CREDIT ALLOWED AS PART OF GENERAL BU-
INESS CREDIT.—Section 38(b), as amended by the pre-
ceeding provisions of this Act, is further amended by strik-
ing “plus” at the end of paragraph (32), by striking the period at the end of paragraph (33) and inserting “, plus”, and by adding at the end the following new paragraph:

“(34) the mechanical insulation labor costs credit determined under section 45U(a).”.

(c) CONFORMING AMENDMENTS.—

(1) Section 280C is amended by adding at the end the following new subsection:

“(i) MECHANICAL INSULATION LABOR COSTS CREDIT.—

“(1) IN GENERAL.—No deduction shall be allowed for that portion of the mechanical insulation labor costs (as defined in section 45U(b)) otherwise allowable as deduction for the taxable year which is equal to the amount of the credit determined for such taxable year under section 45U(a).

“(2) SIMILAR RULE WHERE TAXPAYER CAPITALIZES RATHER THAN DEDUCTS EXPENSES.—If—

“(A) the amount of the credit determined for the taxable year under section 45U(a), exceeds

“(B) the amount of allowable as a deduction for such taxable year for mechanical insulation labor costs (determined without regard to paragraph (1)),

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the amount chargeable to capital account for the taxable year for such costs shall be reduced by the amount of such excess.”.

(2) The table of sections for subpart D of part IV of subchapter A of chapter 1, as amended by the preceding provisions of this Act, is further amended by adding at the end the following new item:

“Sec. 45U. Labor costs of installing mechanical insulation property.”.

(d) **Effective Date.**—The amendments made by this section shall apply to amounts paid or incurred after December 31, 2019, in taxable years ending after such date.

**TITLE VI—ENVIRONMENTAL JUSTICE**

**SEC. 601. QUALIFIED ENVIRONMENTAL JUSTICE PROGRAM CREDIT.**

(a) **In General.**—Subpart C of part IV of subchapter A of chapter 1 is amended by adding at the end the following new section:

“**SEC. 36C. QUALIFIED ENVIRONMENTAL JUSTICE PROGRAMS.**

“(a) **ALLOWANCE OF CREDIT.**—In the case of an eligible educational institution, there shall be allowed as a credit against the tax imposed by this subtitle for any taxable year an amount equal to the applicable percentage of the amounts paid or incurred by such taxpayer during
such taxable year which are necessary for a qualified environmental justice program.

“(b) Qualified Environmental Justice Program.—For purposes of this section—

“(1) In General.—The term ‘qualified environmental justice program’ means a program conducted by one or more eligible educational institutions that is designed to address, or improve data about, qualified environmental stressors for the primary purpose of improving, or facilitating the improvement of, health and economic outcomes of individuals residing in low-income areas or areas populated disproportionately by racial or ethnic minorities.

“(2) Qualified Environmental Stressor.—The term ‘qualified environmental stressor’ means, with respect to an area, a contamination of the air, water, soil, or food with respect to such area or a change relative to historical norms of the weather conditions of such area.

“(c) Eligible Educational Institution.—For purposes of this section, the term ‘eligible educational institution’ means an institution of higher education (as such term is defined in section 101 or 102(c) of the High-
er Education Act of 1965) that is eligible to participate in a program under title IV of such Act.

“(d) Applicable Percentage.—For purposes of this section, the term ‘applicable percentage’ means—

“(1) in the case of a program involving material participation of faculty and students of an institution described in section 371(a) of the Higher Education Act of 1965, 30 percent, and

“(2) in all other cases, 20 percent.

“(e) Credit Allocation.—

“(1) Allocation.—

“(A) In general.—The Secretary shall allocate credit dollar amounts under this section to eligible educational institutions, for qualified environmental justice programs, that—

“(i) submit applications at such time and in such manner as the Secretary may provide, and

“(ii) are selected by the Secretary under subparagraph (B).

“(B) Selection criteria.—The Secretary, after consultation with the Secretary of Energy, the Secretary of Education, the Secretary of Health and Human Services, and the Administrator of the Environmental Protection
Agency, shall select applications on the basis of the following criteria:

“(i) The extent of participation of faculty and students of an institution described in section 371(a) of the Higher Education Act of 1965.

“(ii) The extent of the expected effect on the health or economic outcomes of individuals residing in areas within the United States that are low-income areas or areas populated disproportionately by racial or ethnic minorities.

“(iii) The creation or significant expansion of qualified environmental justice programs.

“(2) LIMITATIONS.—

“(A) IN GENERAL.—The amount of the credit determined under this section for any taxable year to any eligible educational institution for any qualified environmental justice program shall not exceed the excess of—

“(i) the credit dollar amount allocated to such institution for such program under this subsection, over
“(ii) the credits previously claimed by such institution for such program under this section.

“(B) **Five-year limitation.**—No amounts paid or incurred after the 5-year period beginning on the date a credit dollar amount is allocated to an eligible educational institution for a qualified environmental justice program shall be taken into account under subsection (a) with respect to such institution for such program.

“(C) **Allocation limitation.**—The total amount of credits that may be allocated under the program shall not exceed—

“(i) $1,000,000,000 for each of 2020, 2021, 2022, 2023, and 2024, and

“(ii) $0 for each subsequent year.

“(f) **Requirements.**—

“(1) **In general.**—An eligible educational institution that has been allocated credit dollar amounts under this section for a qualified environmental justice project for a taxable year shall—

“(A) make publicly available the application submitted to the Secretary under subsection (e) with respect to such project, and
“(B) submit an annual report to the Secretary that describes the amounts paid or in-
curred for, and expected impact of, such project.

“(2) FAILURE TO COMPLY.—In the case of an eligible education institution that has failed to com-
ply with the requirements of this subsection, the credit dollar amount allocated to such institution under this section is deemed to be $0.

“(g) PUBLIC DISCLOSURE.—The Secretary, upon making an allocation of credit dollar amounts under this section, shall publicly disclose—

“(1) the identity of the eligible educational in-
stitution receiving the allocation, and

“(2) the amount of such allocation.”.

(b) CONFORMING AMENDMENTS.—

(1) Section 6211(b)(4)(A) is amended by insert-
ing “36C,” after “36B,.”.

(2) Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting “36C,” after “36B,”.

(c) CLERICAL AMENDMENT.—The table of sections for subpart C of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 36B the following new item:

“Sec. 36C. Qualified environmental justice programs.”.
(d) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on the date of the enactment of this Act.

TITLE VII—TREASURY REPORT ON DATA FROM THE GREENHOUSE GAS REPORTING PROGRAM

SEC. 701. REPORT ON GREENHOUSE GAS REPORTING PROGRAM.

(a) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the Secretary of the Treasury (or the Secretary’s delegate) shall submit a report to Congress on the utility of the data from the Greenhouse Gas Reporting Program for determining the amount of greenhouse gases emitted by each taxpayer for the purpose of imposing a fee on such taxpayers with respect to such emissions. Such report shall include a detailed description and analysis of any administrative or other challenges associated with using such data for such purpose.

(b) GREENHOUSE GAS REPORTING PROGRAM.—For purposes of this section, the term “Greenhouse Gas Reporting Program” means the reporting program established by the Administrator of the Environmental Protection Agency under title II of division F of the Consolidated Appropriations Act, 2008.
TITLE VIII—[REVENUE]

PROVISIONS TO BE PROVIDED]