

113TH CONGRESS  
1ST SESSION

# H. R. 860

To amend the Internal Revenue Code of 1986 to make qualified biogas property eligible for the energy credit and to permit new clean renewable energy bonds to finance qualified biogas property.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 27, 2013

Mr. KIND (for himself and Mr. LEWIS) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Science, Space, and Technology, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend the Internal Revenue Code of 1986 to make qualified biogas property eligible for the energy credit and to permit new clean renewable energy bonds to finance qualified biogas 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 “Biogas Investment Tax  
5 Credit Act of 2013”.

1 **SEC. 2. INCENTIVES FOR QUALIFIED BIOGAS PROPERTY.**

2 (a) INCENTIVES FOR QUALIFIED BIOGAS PROPERTY  
3 MADE ELIGIBLE FOR THE ENERGY CREDIT.—

4 (1) IN GENERAL.—Subparagraph (A) of section  
5 48(a)(3) of the Internal Revenue Code of 1986 is  
6 amended by striking “or” at the end of clause (vi),  
7 by inserting “or” at the end of clause (vii), and by  
8 adding at the end the following new clause:

9 “(viii) qualified biogas property,”.

10 (2) QUALIFIED BIOGAS PROPERTY.—Subsection  
11 (c) of section 48 of such Code is amended by adding  
12 at the end the following new paragraph:

13 “(5) QUALIFIED BIOGAS PROPERTY.—

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

17 “(i) uses anaerobic digesters or other  
18 biological, chemical, thermal, or mechanical  
19 processes (alone or in combination) to con-  
20 vert biomass (as defined in section  
21 45K(c)(3)) into a gas which consists of not  
22 less than 52 percent methane, and

23 “(ii) captures such gas for use as a  
24 fuel.

25 “(B) INCLUSION OF CERTAIN CLEANING  
26 AND CONDITIONING EQUIPMENT.—Such term

1 shall include any property which cleans and  
2 conditions the gas referred to in subparagraph  
3 (A) for use as a fuel.

4 “(C) TERMINATION.—No credit shall be  
5 determined under this section with respect to  
6 any qualified biogas property for any period  
7 after December 31, 2018.”.

8 (3) QUALIFIED BIOGAS PROPERTY MADE ELIGI-  
9 BLE FOR 30 PERCENT CREDIT.—Clause (i) of section  
10 48(a)(2)(A) of such Code is amended by striking  
11 “and” at the end of subclause (III) and by adding  
12 at the end the following new subclause:

13 “(V) qualified biogas property,  
14 and”.

15 (4) DENIAL OF DOUBLE BENEFIT.—Subsection  
16 (e) of section 45 of such Code is amended by adding  
17 at the end the following new paragraph:

18 “(12) COORDINATION WITH ENERGY CREDIT  
19 FOR QUALIFIED BIOGAS PROPERTY.—The term  
20 ‘qualified facility’ shall not include any facility which  
21 produces electricity from gas produced by qualified  
22 biogas property (as defined in section 48(c)(5)) if a  
23 credit is determined under section 48 with respect to  
24 such property for the taxable year or any prior tax-  
25 able year.”.

1           (5) EFFECTIVE DATE.—The amendments made  
2           by this subsection shall apply to periods after De-  
3           cember 31, 2012, in taxable years ending after such  
4           date, under rules similar to the rules of section  
5           48(m) of the Internal Revenue Code of 1986 (as in  
6           effect on the day before the date of the enactment  
7           of the Revenue Reconciliation Act of 1990).

8           (b) QUALIFIED BIOGAS PROPERTY MADE ELIGIBLE  
9           FOR FINANCING WITH NEW CLEAN RENEWABLE ENERGY  
10          BONDS.—

11           (1) IN GENERAL.—Paragraph (1) of section  
12           54C(d) of the Internal Revenue Code of 1986 is  
13           amended by inserting “, or a qualified biogas prop-  
14           erty (as defined in section 48(c)(5)),” before “owned  
15           by”.

16           (2) EFFECTIVE DATE.—The amendment made  
17           by this subsection shall apply to obligations issued  
18           after the date of the enactment of this Act.

19           (c) STUDY OF BIOGAS.—The Secretary of the Treas-  
20           ury shall enter into an agreement with the National Re-  
21           newable Energy Laboratory to undertake a study of  
22           biogas. Such agreement shall provide for a written report  
23           to be submitted to Congress not later than 2 years after  
24           the date of the enactment of this Act. Such report shall  
25           address the following issues:

1           (1) The quality of biogas, including a compari-  
2           son of biogas to natural gas and the identification  
3           of any components of biogas which make it unsuit-  
4           able for injection into existing natural gas pipelines.

5           (2) Methods for obtaining the highest energy  
6           content in biogas, including the use of co-digestion  
7           and identifying the optimal feed mixture.

8           (3) Recommendations for the expansion of  
9           biogas production, including an analysis of the ex-  
10          tent to which increasing the methane content of  
11          biogas would result in its greater use and an anal-  
12          ysis of how the expanded use of biogas could help  
13          meet the growing energy needs of the United States.

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