

119TH CONGRESS
2D SESSION

H. R. 9746

To amend the Internal Revenue Code of 1986 to provide investment and production credits for open- and closed-loop biomass facilities.

IN THE HOUSE OF REPRESENTATIVES

JULY 16, 2026

Mr. KILEY of California 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 provide investment and production credits for open- and closed-loop biomass facilities.

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 Facility Con-
5 struction Act”.

6 **SEC. 2. REINSTATEMENT OF INVESTMENT AND PRODUC-**
7 **TION CREDITS FOR OPEN- AND CLOSED-LOOP**
8 **BIOMASS FACILITIES.**

9 (a) INVESTMENT CREDIT.—Section 48(a) of the In-
10 ternal Revenue Code of 1986 is amended—

1 (1) by redesignating paragraph (16) as para-
2 graph (17), and

3 (2) by inserting after paragraph (15) the fol-
4 lowing new paragraph:

5 “(16) APPLICATION OF CREDIT TO CERTAIN
6 BIOMASS FACILITIES.—

7 “(A) IN GENERAL.—In the case of any
8 qualified property (as defined in paragraph
9 (5)(D)) which is part of a specified biomass fa-
10 cility—

11 “(i) such property shall be treated as
12 energy property for purposes of this sec-
13 tion, and

14 “(ii) the energy percentage with re-
15 spect to such property is 30 percent.

16 “(B) SPECIFIED BIOMASS FACILITY.—For
17 purposes of this paragraph, the term ‘specified
18 biomass facility’ means any facility—

19 “(i) described in paragraph (2) or (3)
20 of section 45(d), and

21 “(ii) the construction of which begins
22 after the date of the enactment of the Bio-
23 mass Facility Construction Act.”.

24 (b) PRODUCTION CREDIT.—

1 (1) APPLICATION TO NEW BIOMASS FACILI-
2 TIES.—Section 45(d) of the Internal Revenue Code
3 of 1986 is amended—

4 (A) in paragraphs (2) and (3), by inserting
5 “or after the date of the enactment of the Bio-
6 mass Facility Construction Act,” after “Janu-
7 ary 1, 2025,” each place it appears, and

8 (B) in paragraph (3)(A)(ii), by inserting “,
9 or after the date of the enactment of the Bio-
10 mass Facility Construction Act” after “January
11 1, 2025”.

12 (2) TERMINATION OF CERTAIN LIMITATIONS.—
13 Section 45(b)(4) of such Code is amended by adding
14 at the end the following new subparagraph:

15 “(C) TERMINATION.—Subparagraphs (A)
16 and (B) shall not apply to any facility described
17 in paragraph (2) or (3) of subsection (d) the
18 construction of which begins after the date of
19 the enactment of the Biomass Facility Con-
20 struction Act.”.

21 (c) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to facilities the construction of
23 which begins after the date of the enactment of this Act.

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