

106TH CONGRESS
1ST SESSION

H. R. 1731

To amend the Internal Revenue Code of 1986 to provide that the credit for electricity produced from certain renewable resources shall apply to electricity produced from all biomass facilities and to extend the placed in service deadline for such credit.

IN THE HOUSE OF REPRESENTATIVES

MAY 6, 1999

Mr. HERGER (for himself, Mr. MATSUI, Mr. McCRERY, Mr. CAMP, Mr. FOLEY, Mr. WELLER, Mr. NEAL of Massachusetts, and Mr. THOMAS) 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 that the credit for electricity produced from certain renewable resources shall apply to electricity produced from all biomass facilities and to extend the placed in service deadline for such credit.

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 Energy Eq-
5 uity Act of 1999”.

1 **SEC. 2. MODIFICATIONS TO CREDIT FOR ELECTRICITY**
2 **PRODUCED FROM RENEWABLE RESOURCES.**

3 (a) QUALIFIED FACILITIES INCLUDE ALL BIOMASS
4 FACILITIES.—

5 (1) IN GENERAL.—Subparagraph (B) of section
6 45(c)(1) of the Internal Revenue Code of 1986 (re-
7 lating to credit for electricity produced from certain
8 renewable resources) is amended to read as follows:

9 “(B) biomass.”

10 (2) BIOMASS DEFINED.—Paragraph (2) of sec-
11 tion 45(c) of such Code is amended to read as fol-
12 lows:

13 “(2) BIOMASS.—The term ‘biomass’ means—

14 “(A) any organic material from a plant
15 which is planted exclusively for purposes of
16 being used at a qualified facility to produce
17 electricity, or

18 “(B) any solid, nonhazardous, cellulosic
19 waste material, which is segregated from other
20 waste materials, and which is derived from—

21 “(i) any of the following forest-related
22 resources: mill residues, precommercial
23 thinnings, slash and brush, but not includ-
24 ing old-growth timber,

25 “(ii) waste pallets, crates and
26 dunnage, manufacturing and construction

wood wastes (but not including pressure-treated, chemically treated, or painted wood wastes), and landscape or right-of-way tree trimmings, but not including unsegregated municipal solid waste (garbage),

“(iii) agriculture sources, including orchard tree crops, vineyard, grain, legumes, sugar, and other crop byproducts or residues, or

“(iv) poultry waste.”.

(b) EXTENSION AND MODIFICATION OF PLACED-IN-SERVICE RULES.—Paragraph (3) of section 45(c) of such Code is amended to read as follows:

“(3) QUALIFIED FACILITY.—

“(A) WIND FACILITIES.—In the case of a facility using wind to produce electricity, the term ‘qualified facility’ means any facility owned by the taxpayer which is originally placed in service after December 31, 1993, and before July 1, 2009.

“(B) BIOMASS FACILITIES.—In the case of a facility using biomass to produce electricity, the term ‘qualified facility’ means, with respect to any month, any facility owned or leased by

1 the taxpayer which is originally placed in serv-
2 ice before July 1, 2009, if, for such month, bio-
3 mass comprises not less than 75 percent (on a
4 Btu basis) of the average monthly fuel input of
5 the facility for the taxable year which includes
6 such month.

7 “(C) SPECIAL RULES.—In the case of a
8 qualified facility described in subparagraph
9 (B)—

10 “(i) the 10-year period referred to in
11 subsection (a) shall be treated as beginning
12 no earlier than the date of the enactment
13 of this paragraph, and

14 “(ii) subsection (b)(3) shall not apply
15 to any such facility originally placed in
16 service before January 1, 1997.”.

17 (c) EFFECTIVE DATE.—The amendments made by
18 this section shall apply to electricity produced after the
19 date of the enactment of this Act.

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