

109TH CONGRESS  
2D SESSION

# S. 2677

To amend the Internal Revenue Code of 1986 to extend the investment tax credit with respect to solar energy property and qualified fuel cell property, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

APRIL 27, 2006

Mr. SMITH (for himself, Mr. MENENDEZ, Mr. LIEBERMAN, Ms. SNOWE, Mr. JEFFORDS, Mr. KERRY, Ms. CANTWELL, Mr. SALAZAR, and Mrs. CLINTON) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to extend the investment tax credit with respect to solar energy property and qualified fuel cell property, and for other purposes.

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 “Securing America’s  
5       Energy Independence Act”.

1 **SEC. 2. EXTENSION AND MODIFICATION OF INVESTMENT**  
 2 **TAX CREDIT WITH RESPECT TO SOLAR EN-**  
 3 **ERGY PROPERTY AND QUALIFIED FUEL CELL**  
 4 **PROPERTY.**

5 (a) SOLAR ENERGY PROPERTY.—Paragraphs  
 6 (2)(A)(i)(II) and (3)(A)(ii) of section 48(a) of the Internal  
 7 Revenue Code of 1986 are each amended by striking  
 8 “2008” and inserting “2016”.

9 (b) ELIGIBLE FUEL CELL PROPERTY.—Paragraph  
 10 (1)(E) of section 48(c) of the Internal Revenue Code of  
 11 1986 is amended by striking “2007” and inserting  
 12 “2015”.

13 (c) CREDITS ALLOWED AGAINST THE ALTERNATIVE  
 14 MINIMUM TAX.—Section 38(c)(4)(B) of the Internal Rev-  
 15 enue Code of 1986 (defining specified credits) is amended  
 16 by striking the period at the end of clause (ii)(II) and in-  
 17 serting “, and”, and by adding at the end the following  
 18 new clause:

19 “(iii) the portion of the investment  
 20 credit under section 46(2) as determined  
 21 under section 48(a)(2)(A)(i).”.

1 **SEC. 3. EXTENSION AND MODIFICATION OF CREDIT FOR**  
 2 **RESIDENTIAL ENERGY EFFICIENT PROP-**  
 3 **ERTY.**

4 (a) EXTENSION.—Section 25D of the Internal Rev-  
 5 enue Code of 1986 (relating to termination) is amended  
 6 by striking “2007” and inserting “2015”.

7 (b) MODIFICATION OF MAXIMUM CREDIT.—Para-  
 8 graph (1) of section 25D(b) of the Internal Revenue Code  
 9 of 1986 (relating to limitations) is amended to read as  
 10 follows:

11 “(1) MAXIMUM CREDIT.—The credit allowed  
 12 under subsection (a) for any taxable year shall not  
 13 exceed—

14 “(A) \$1,000 with respect to each half kilo-  
 15 watt of capacity of qualified photovoltaic prop-  
 16 erty for which qualified photovoltaic property  
 17 expenditures are made,

18 “(B) \$2,000 with respect to any qualified  
 19 solar water heating property expenditures, and

20 “(C) \$500 with respect to each half kilo-  
 21 watt of capacity of qualified fuel cell property  
 22 (as defined in section 48(c)(1)) for which quali-  
 23 fied fuel cell property expenditures are made.”.

24 (c) CREDIT ALLOWED AGAINST ALTERNATIVE MIN-  
 25 IMUM TAX.—

1           (1) IN GENERAL.—Section 25D(b) of the Inter-  
 2           nal Revenue Code of 1986 (as amended by sub-  
 3           section (b)) is amended by adding at the end the fol-  
 4           lowing new paragraph:

5           “(3) CREDIT ALLOWED AGAINST ALTERNATIVE  
 6           MINIMUM TAX.—The credit allowed under subsection  
 7           (a) for the taxable year shall not exceed the excess  
 8           of—

9                     “(A) the sum of the regular tax liability  
 10                    (as defined in section 26(b)) plus the tax im-  
 11                    posed by section 55, over

12                   “(B) the sum of the credits allowable  
 13                    under subpart A of part IV of subchapter A  
 14                    and section 27 for the taxable year.”.

15           (2) CONFORMING AMENDMENT.—Subsection (c)  
 16           of section 25D of such Code is amended to read as  
 17           follows:

18           “(c) CARRYFORWARD OF UNUSED CREDIT.—If the  
 19           credit allowable under subsection (a) for any taxable year  
 20           exceeds the limitation imposed by subsection (b)(3) for  
 21           such taxable year, such excess shall be carried to the suc-  
 22           ceeding taxable year and added to the credit allowable  
 23           under subsection (a) for such succeeding taxable year.”.

1       (d) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to taxable years beginning after  
3 December 31, 2006.

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