

110TH CONGRESS
1ST SESSION

H. R. 3807

To amend the Internal Revenue Code of 1986 to increase and extend certain renewable energy and energy efficiency incentives.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 10, 2007

Ms. GIFFORDS (for herself, Mr. VAN HOLLEN, Mr. ELLISON, Mr. BLUMENAUER, Mr. LAMPSON, Mr. PALLONE, Mr. EMANUEL, Mr. POMEROY, Mr. CHANDLER, Mr. UDALL of New Mexico, Mr. ALTMIRE, Ms. BERKLEY, Mr. GRIJALVA, Mr. ISRAEL, Mr. CARNEY, Mr. PASTOR, Mr. EHLERS, Mr. SMITH of Washington, Mr. MCCAUL of Texas, Mr. MITCHELL, Mr. BRALEY of Iowa, Mr. MCNERNEY, Mr. INSLEE, and Mr. MOORE of Kansas) 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 increase and extend certain renewable energy and energy efficiency incentives.

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 “Renewable Energy As-
5 sistance Act of 2007”.

1 **SEC. 2. INCREASE AND EXTENSION OF CREDIT FOR RESI-**
2 **DENTIAL ENERGY EFFICIENT PROPERTY.**

3 (a) EXTENSION.—Subsection (g) of section 25D of
4 the Internal Revenue Code of 1986 is amended by striking
5 “December 31, 2008” and inserting “December 31,
6 2016”.

7 (b) REPEAL OF MAXIMUM DOLLAR LIMITATION.—

8 (1) IN GENERAL.—Subsection (b) of section
9 25D of such Code is amended to read as follows:

10 “(b) CERTIFICATION OF SOLAR WATER HEATING
11 PROPERTY.—No credit shall be allowed under this section
12 for an item of property described in subsection (d)(1) un-
13 less such property is certified for performance by the non-
14 profit Solar Rating Certification Corporation or a com-
15 parable entity endorsed by the government of the State
16 in which such property is installed.”.

17 (2) CONFORMING AMENDMENTS.—

18 (A) Subsection (e) of section 25D of such
19 Code is amended by striking paragraph (4) and
20 by redesignating paragraphs (5) through (9) as
21 paragraphs (4) through (8), respectively.

22 (B) Paragraph (1) of section 25C(e) of
23 such Code is amended by striking “(8), and
24 (9)” and inserting “and (8) (and paragraph (4)
25 as in effect before its repeal)”.

1 (c) CREDIT ALLOWED AGAINST ALTERNATIVE MIN-
2 IMUM TAX.—

3 (1) IN GENERAL.—Subsection (c) of section
4 25D of such Code is amended to read as follows:

5 “(c) LIMITATION BASED ON AMOUNT OF TAX;
6 CARRYFORWARD OF UNUSED CREDIT.—

7 “(1) LIMITATION BASED ON AMOUNT OF
8 TAX.—In the case of a taxable year to which section
9 26(a)(2) does not apply, the credit allowed under
10 subsection (a) for the taxable year shall not exceed
11 the excess of—

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

15 “(B) the sum of the credits allowable
16 under this subpart (other than this section) and
17 section 27 for the taxable year.

18 “(2) CARRYFORWARD OF UNUSED CREDIT.—

19 “(A) RULE FOR YEARS IN WHICH ALL
20 PERSONAL CREDITS ALLOWED AGAINST REG-
21 ULAR AND ALTERNATIVE MINIMUM TAX.—In
22 the case of a taxable year to which section
23 26(a)(2) applies, if the credit allowable under
24 subsection (a) exceeds the limitation imposed by
25 section 26(a)(2) for such taxable year reduced

1 by the sum of the credits allowable under this
2 subpart (other than this section), such excess
3 shall be carried to the succeeding taxable year
4 and added to the credit allowable under sub-
5 section (a) for such succeeding taxable year.

6 “(B) RULE FOR OTHER YEARS.—In the
7 case of a taxable year to which section 26(a)(2)
8 does not apply, if the credit allowable under
9 subsection (a) exceeds the limitation imposed by
10 paragraph (1) for such taxable year, such ex-
11 cess shall be carried to the succeeding taxable
12 year and added to the credit allowable under
13 subsection (a) for such succeeding taxable
14 year.”.

15 (2) CONFORMING AMENDMENTS.—

16 (A) Section 23(b)(4)(B) of such Code is
17 amended by inserting “and section 25D” after
18 “this section”.

19 (B) Section 24(b)(3)(B) of such Code is
20 amended by striking “and 25B” and inserting
21 “, 25B, and 25D”.

22 (C) Section 25B(g)(2) of such Code is
23 amended by striking “section 23” and inserting
24 “sections 23 and 25D”.

1 (D) Section 26(a)(1) of such Code is
2 amended by striking “and 25B” and inserting
3 “25B, and 25D”.

4 (d) EFFECTIVE DATES.—

5 (1) IN GENERAL.—Except as otherwise pro-
6 vided in this subsection, the amendments made by
7 this section shall apply to expenditures made after
8 the date of the enactment of this Act.

9 (2) EXTENSION.—The amendment made by
10 subsection (a) shall apply to property placed in serv-
11 ice after December 31, 2008.

12 (3) ALLOWANCE AGAINST ALTERNATIVE MIN-
13 IMUM TAX.—

14 (A) IN GENERAL.—The amendments made
15 by subsection (c) shall apply to taxable years
16 beginning after the date of the enactment of
17 this Act.

18 (B) APPLICATION OF EGTRRA SUNSET.—
19 The amendments made by subparagraphs (A)
20 and (B) of subsection (c)(2) shall be subject to
21 title IX of the Economic Growth and Tax Relief
22 Reconciliation Act of 2001 in the same manner
23 as the provisions of such Act to which such
24 amendments relate.

1 **SEC. 3. EXTENSION AND MODIFICATION OF ENERGY CRED-**
2 **IT.**

3 (a) **EXTENSION OF 30 PERCENT CREDIT FOR SOLAR**
4 **ENERGY.**—Subclause (II) of section 48(a)(2)(A)(i) of the
5 Internal Revenue Code of 1986 is amended by striking
6 “January 1, 2009” and inserting “January 1, 2017”.

7 (b) **EXTENSION FOR QUALIFIED FUEL CELLS.**—Sub-
8 paragraph (E) of section 48(c)(1) of such Code is amend-
9 ed by striking “December 31, 2008” and inserting “De-
10 cember 31, 2016”.

11 (c) **PUBLIC ELECTRIC UTILITY PROPERTY TAKEN**
12 **INTO ACCOUNT.**—

13 (1) **IN GENERAL.**—Paragraph (3) of section
14 48(a) of such Code is amended by striking the sec-
15 ond sentence thereof.

16 (2) **CONFORMING AMENDMENT.**—Paragraph (1)
17 of section 48(c) of such Code, after amendment
18 under subsection (b), is amended by striking sub-
19 paragraph (D) and redesignating subparagraph (E)
20 as subparagraph (D).

21 (3) **EFFECTIVE DATE.**—The amendments made
22 by this subsection shall apply to periods after June
23 20, 2007, in taxable years ending after such date,
24 under rules similar to the rules of section 48(m) of
25 the Internal Revenue Code of 1986 (as in effect on

1 the day before the date of the enactment of the Rev-
2 enue Reconciliation Act of 1990).

3 **SEC. 4. EXTENSION OF CREDIT FOR NONBUSINESS ENERGY**
4 **PROPERTY.**

5 Subsection (g) of section 25C of the Internal Revenue
6 Code of 1986 is amended by striking “December 31,
7 2007” and inserting “December 31, 2015”.

8 **SEC. 5. MODIFICATIONS OF ENERGY EFFICIENT APPLI-**
9 **ANCE CREDIT FOR APPLIANCES PRODUCED**
10 **AFTER 2007.**

11 (a) IN GENERAL.—Subsection (b) of section 45M of
12 the Internal Revenue Code of 1986 is amended to read
13 as follows:

14 “(b) APPLICABLE AMOUNT.—For purposes of sub-
15 section (a)—

16 “(1) DISHWASHERS.—The applicable amount
17 is—

18 “(A) \$45 in the case of a dishwasher which
19 is manufactured in calendar year 2008 or 2009
20 and which uses no more than 324 kilowatt
21 hours per year and 5.8 gallons per cycle, and

22 “(B) \$75 in the case of a dishwasher
23 which is manufactured in calendar year 2008,
24 2009, or 2010 and which uses no more than
25 307 kilowatt hours per year and 5.0 gallons per

1 cycle (5.5 gallons per cycle for dishwashers de-
2 signed for greater than 12 place settings).

3 “(2) CLOTHES WASHERS.—The applicable
4 amount is—

5 “(A) \$75 in the case of a residential top-
6 loading clothes washer manufactured in cal-
7 endar year 2008 which meets or exceeds a 1.72
8 modified energy factor and does not exceed a
9 8.0 water consumption factor,

10 “(B) \$125 in the case of a residential top-
11 loading clothes washer manufactured in cal-
12 endar year 2008 or 2009 which meets or ex-
13 ceeds a 1.8 modified energy factor and does not
14 exceed a 7.5 water consumption factor,

15 “(C) \$150 in the case of a residential or
16 commercial clothes washer manufactured in cal-
17 endar year 2008, 2009 or 2010 which meets or
18 exceeds 2.0 modified energy factor and does not
19 exceed a 6.0 water consumption factor, and

20 “(D) \$250 in the case of a residential or
21 commercial clothes washer manufactured in cal-
22 endar year 2008, 2009, or 2010 which meets or
23 exceeds 2.2 modified energy factor and does not
24 exceed a 4.5 water consumption factor.

1 “(3) REFRIGERATORS.—The applicable amount
2 is—

3 “(A) \$50 in the case of a refrigerator
4 which is manufactured in calendar year 2008,
5 and consumes at least 20 percent but not more
6 than 22.9 percent less kilowatt hours per year
7 than the 2001 energy conservation standards,

8 “(B) \$75 in the case of a refrigerator
9 which is manufactured in calendar year 2008 or
10 2009, and consumes at least 23 percent but no
11 more than 24.9 percent less kilowatt hours per
12 year than the 2001 energy conservation stand-
13 ards,

14 “(C) \$100 in the case of a refrigerator
15 which is manufactured in calendar year 2008,
16 2009 or 2010, and consumes at least 25 per-
17 cent but not more than 29.9 percent less kilo-
18 watt hours per year than the 2001 energy con-
19 servation standards, and

20 “(D) \$200 in the case of a refrigerator
21 manufactured in calendar year 2008, 2009 or
22 2010 and which consumes at least 30 percent
23 less energy than the 2001 energy conservation
24 standards.

1 “(4) DEHUMIDIFIERS.—The applicable amount
2 is—

3 “(A) \$15 in the case of a dehumidifier
4 manufactured in calendar year 2008 that has a
5 capacity less than or equal to 45 pints per day
6 and is 7.5 percent more efficient than the appli-
7 cable Department of Energy energy conserva-
8 tion standard effective October 2012, and

9 “(B) \$25 in the case of a dehumidifier
10 manufactured in calendar year 2008 that has a
11 capacity greater than 45 pints per day and is
12 7.5 percent more efficient than the applicable
13 Department of Energy energy conservation
14 standard effective October 2012.”.

15 (b) ELIGIBLE PRODUCTION.—

16 (1) SIMILAR TREATMENT FOR ALL APPLI-
17 ANCES.—Subsection (c) of section 45M of such Code
18 is amended—

19 (A) by striking paragraph (2),

20 (B) by striking “(1) IN GENERAL” and all
21 that follows through “the eligible” and inserting
22 “The eligible”, and

23 (C) by moving the text of such subsection
24 in line with the subsection heading and redesign-

1 nating subparagraphs (A) and (B) as para-
2 graphs (1) and (2), respectively.

3 (2) MODIFICATION OF BASE PERIOD.—Para-
4 graph (2) of section 45M(c) of such Code, as amend-
5 ed by paragraph (1) of this section, is amended by
6 striking “3-calendar year” and inserting “2-calendar
7 year”.

8 (c) TYPES OF ENERGY EFFICIENT APPLIANCES.—
9 Subsection (d) of section 45M of such Code is amended
10 to read as follows:

11 “(d) TYPES OF ENERGY EFFICIENT APPLIANCE.—
12 For purposes of this section, the types of energy efficient
13 appliances are—

14 “(1) dishwashers described in subsection (b)(1),

15 “(2) clothes washers described in subsection
16 (b)(2),

17 “(3) refrigerators described in subsection
18 (b)(3), and

19 “(4) dehumidifiers described in subsection
20 (b)(4).”.

21 (d) AGGREGATE CREDIT AMOUNT ALLOWED.—

22 (1) INCREASE IN LIMIT.—Paragraph (1) of sec-
23 tion 45M(e) of such Code is amended to read as fol-
24 lows:

1 “(1) AGGREGATE CREDIT AMOUNT ALLOWED.—
2 The aggregate amount of credit allowed under sub-
3 section (a) with respect to a taxpayer for any tax-
4 able year shall not exceed \$75,000,000 reduced by
5 the amount of the credit allowed under subsection
6 (a) to the taxpayer (or any predecessor) for all prior
7 taxable years beginning after December 31, 2007.”.

8 (2) EXCEPTION FOR CERTAIN REFRIGERATOR
9 AND CLOTHES WASHERS.—Paragraph (2) of section
10 45M(e) of such Code is amended to read as follows:

11 “(2) AMOUNT ALLOWED FOR CERTAIN REFRIG-
12 ERATORS AND CLOTHES WASHERS.—Refrigerators
13 described in subsection (b)(3)(D) and clothes wash-
14 ers described in subsection (b)(2)(D) shall not be
15 taken into account under paragraph (1).”.

16 (e) QUALIFIED ENERGY EFFICIENT APPLIANCES.—

17 (1) IN GENERAL.—Paragraph (1) of section
18 45M(f) of such Code is amended to read as follows:

19 “(1) QUALIFIED ENERGY EFFICIENT APPLI-
20 ANCE.—The term ‘qualified energy efficient appli-
21 ance’ means—

22 “(A) any dishwasher described in sub-
23 section (b)(1),

24 “(B) any clothes washer described in sub-
25 section (b)(2),

1 “(C) any refrigerator described in sub-
2 section (b)(3), and

3 “(D) any dehumidifier described in sub-
4 section (b)(4).”.

5 (2) CLOTHES WASHER.—Section 45M(f)(3) of
6 such Code is amended by inserting “commercial” be-
7 fore “residential” the second place it appears.

8 (3) TOP-LOADING CLOTHES WASHER.—Sub-
9 section (f) of section 45M of such Code is amended
10 by redesignating paragraphs (4), (5), (6), and (7) as
11 paragraphs (5), (6), (7), and (8), respectively, and
12 by inserting after paragraph (3) the following new
13 paragraph:

14 “(4) TOP-LOADING CLOTHES WASHER.—The
15 term “top-loading clothes washer” means a clothes
16 washer which has the clothes container compartment
17 access located on the top of the machine and which
18 operates on a vertical axis.”.

19 (4) DEHUMIDIFIER.—Subsection (f) of section
20 45M of such Code, as amended by paragraph (3), is
21 amended by redesignating paragraphs (6), (7), and
22 (8) as paragraphs (7), (8) and (9), respectively, and
23 by inserting after paragraph (5) the following new
24 paragraph:

1 “(6) DEHUMIDIFIER.—The term ‘dehumidifier’
2 means a self-contained, electrically operated, and
3 mechanically refrigerated encased assembly con-
4 sisting of—

5 “(A) a refrigerated surface that condenses
6 moisture from the atmosphere,

7 “(B) a refrigerating system, including an
8 electric motor,

9 “(C) an air-circulating fan, and

10 “(D) means for collecting or disposing of
11 condensate.”.

12 (5) REPLACEMENT OF ENERGY FACTOR.—Sec-
13 tion 45M(f)(7) of such Code, as amended by para-
14 graph (4), is amended to read as follows:

15 “(7) MODIFIED ENERGY FACTOR.—The term
16 ‘modified energy factor’ means the modified energy
17 factor established by the Department of Energy for
18 compliance with the Federal energy conservation
19 standard.”.

20 (6) GALLONS PER CYCLE; WATER CONSUMP-
21 TION FACTOR.—Section 45M(f) of such Code is
22 amended by adding at the end the following:

23 “(10) GALLONS PER CYCLE.—The term ‘gallons
24 per cycle’ means, with respect to a dishwasher, the

1 amount of water, expressed in gallons, required to
2 complete a normal cycle of a dishwasher.

3 “(11) WATER CONSUMPTION FACTOR.—The
4 term ‘water consumption factor’ means, with respect
5 to a clothes washer, the quotient of the total weight-
6 ed per-cycle water consumption divided by the cubic
7 foot (or liter) capacity of the clothes washer.”.

8 (f) EFFECTIVE DATE.—The amendments made by
9 this section shall apply to appliances produced after De-
10 cember 31, 2007.

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