

110TH CONGRESS
1ST SESSION

H. R. 805

To provide incentives for the use of hydrogen fuel, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 5, 2007

Mr. DOYLE (for himself, Mr. TERRY, Mr. WAMP, and Mr. WYNN) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Transportation and Infrastructure and Energy and Commerce, 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

A BILL

To provide incentives for the use of hydrogen fuel, 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. TAX CREDIT FOR HYDROGEN FUEL.**

4 (a) IN GENERAL.—Subpart B of part IV of sub-
5 chapter A of chapter 1 of the Internal Revenue Code of
6 1986 is amended by adding at the end the following new
7 section:

1 **“SEC. 30D. HYDROGEN CREDIT.**

2 “(a) CREDIT ALLOWED.—There shall be allowed as
3 a credit against the tax imposed by this chapter for the
4 taxable year the sum of the qualified hydrogen expenditure
5 amounts for each qualified hydrogen device of the tax-
6 payer.

7 “(b) QUALIFIED HYDROGEN EXPENDITURE
8 AMOUNT.—For purposes of this section, the term ‘quali-
9 fied hydrogen expenditure amount’ means, with respect to
10 each qualified hydrogen energy conversion device of the
11 taxpayer, the lesser of—

12 “(1) 30 percent of the amount paid or incurred
13 by the taxpayer during the taxable year for hydrogen
14 which is consumed by such device, and

15 “(2) \$1,500.

16 In the case of any device which is not owned by the tax-
17 payer at all times during the taxable year, the \$1,500
18 amount in paragraph (2) shall be reduced by an amount
19 which bears the same ratio to \$1,500 as the portion of
20 the year which such device is not owned by the taxpayer
21 bears to the entire year.

22 “(c) QUALIFIED HYDROGEN ENERGY CONVERSION
23 DEVICES.—For purposes of this section—

24 “(1) IN GENERAL.—The term ‘qualified hydro-
25 gen energy conversion device’ means, with respect to
26 any taxpayer, any hydrogen energy conversion device

1 which is placed in service after December 31, 2004,
2 and which is wholly owned by the taxpayer during
3 the taxable year. If an owner of a device (determined
4 without regard to this paragraph) provides to the
5 primary user of such device a written statement that
6 such user shall be treated as the owner of such de-
7 vice for purposes of this section, then such user (and
8 not such owner) shall be so treated.

9 “(2) HYDROGEN ENERGY CONVERSION DE-
10 VICE.—The term ‘hydrogen energy conversion de-
11 vice’ means—

12 “(A) any electrochemical device which con-
13 verts hydrogen into electricity, and

14 “(B) any combustion engine which burns
15 hydrogen as a fuel.

16 “(d) APPLICATION WITH OTHER CREDITS.—

17 “(1) BUSINESS CREDIT TREATED AS PART OF
18 GENERAL BUSINESS CREDIT.—So much of the credit
19 which would be allowed under subsection (a) for any
20 taxable year (determined without regard to this sub-
21 section) that is attributable to amounts which (but
22 for subsection (e) would be allowed as a deduction
23 under section 162 shall be treated as a credit listed
24 in section 38(b) for such taxable year (and not al-
25 lowed under subsection (a)).

1 “(2) PERSONAL CREDIT.—The credit allowed
2 under subsection (a) (after the application of para-
3 graph (1)) for any taxable year shall not exceed the
4 excess (if any) of—

5 “(A) the regular tax liability (as defined in
6 section 26(b)) reduced by the sum of the credits
7 allowable under subpart A and sections 27, 30,
8 30B, and 30C, over

9 “(B) the tentative minimum tax for the
10 taxable year.

11 “(e) DENIAL OF DOUBLE BENEFIT.—For purposes
12 of determining any deduction or any other credit under
13 this subtitle, the amounts paid or incurred by the taxpayer
14 for hydrogen which is taken into account under this sec-
15 tion shall be reduced by the amount of the credit allowed
16 under this section.

17 “(f) TERMINATION.—This section shall not apply to
18 amounts paid or incurred after December 31, 2015.”.

19 (b) CONFORMING AMENDMENTS.—

20 (1) Section 38(b) of such Code is amended by
21 striking “plus” at the end of paragraph (30), by
22 striking the period at the end of paragraph (31) and
23 inserting “plus”, and by adding at the end the fol-
24 lowing new paragraph:

1 “(32) the portion of the hydrogen credit to
2 which section 30D(d)(1) applies.”.

3 (2) Section 55(c)(3) of such Code is amended
4 by inserting “30D(d)(2),” after “30C(d)(2),”.

5 (3) The table of sections for subpart B of part
6 IV of subchapter A of chapter 1 of such Code is
7 amended by adding at the end the following new
8 item:

“Sec. 30D. Hydrogen credit.”.

9 (c) EFFECTIVE DATE.—The amendments made by
10 this section shall apply to amounts paid or incurred after
11 December 31, 2007, in taxable years ending after such
12 date.

13 **SEC. 2. EXTENSION OF EXISTING TAX CREDITS FOR FUEL**
14 **CELL AND MICROTURBINE PROPERTY.**

15 (a) RESIDENTIAL ENERGY EFFICIENT PROPERTY.—
16 Subsection (g) of section 25D of the Internal Revenue
17 Code of 1986 is amended by inserting “(December 31,
18 2013, in the case of qualified fuel cell property)” before
19 the period at the end.

20 (b) ENERGY CREDIT.—

21 (1) FUEL CELL PROPERTY.—Subparagraph (E)
22 of section 48(c)(1) of such Code is amended by
23 striking “December 31, 2008” and inserting “De-
24 cember 31, 2013”.

1 (2) MICROTURBINE PROPERTY.—Subparagraph
2 (E) of section 48(c)(2) of such Code is amended by
3 striking “December 31, 2008” and inserting “De-
4 cember 31, 2013”.

5 **SEC. 3. SECONDARY FUEL CELL POWER SOURCES FOR NEW**
6 **PUBLIC BUILDINGS.**

7 Section 3305 of title 40, United States Code, is
8 amended by adding at the end the following:

9 “(f) SECONDARY FUEL CELL POWER SOURCES FOR
10 NEW PUBLIC BUILDINGS.—

11 “(1) IN GENERAL.—A public building may not
12 be constructed after December 31, 2008, that will be
13 in excess of 50,000 square feet, unless the building
14 has a fuel cell (as defined in section 781 of the En-
15 ergy Policy Act of 2005 (42 U.S.C. 16121; 119
16 Stat. 835)) as an independent, backup source of
17 electric power.

18 “(2) SIZE AND USE OF FUEL CELL.—A fuel cell
19 installed under this subsection in a building must
20 have the capacity, and shall be used, to provide elec-
21 tric power for critical and essential functions and
22 operations being conducted in the building during
23 peak hours of electricity usage and during power
24 outages.

1 “(3) CONSIDERATION FOR BASE LOAD POWER
2 SUPPLY.—In carrying out this subsection, the Ad-
3 ministrators shall consider the use of a fuel cell to be
4 installed or installed in a building under this sub-
5 section for use in meeting the base load electric
6 power needs of the building.

7 “(4) LIMITATION.—This subsection shall not
8 apply to a public building that is under construction
9 on December 31, 2008.”.

10 **SEC. 4. UNIFORMITY OF HYDROGEN STORAGE AND TRANS-**
11 **PORTATION REGULATIONS.**

12 (a) PURPOSES.—The purposes of this section are—

13 (1) to prepare Federal, State, and local regu-
14 latory agencies for the smooth commercialization of
15 hydrogen and fuel cell devices and fueling stations
16 and smooth transition from a hydrocarbon economy
17 to hydrogen economy; and

18 (2) to ensure comprehensive coordination
19 among these agencies to develop and utilize the nec-
20 essary enabling regulations that ensure public safety,
21 commercial development of hydrogen and fuel cell
22 devices and fueling stations, and a smooth transition
23 from a hydrocarbon economy to hydrogen economy.

24 (b) STUDY AND REPORT.—

1 (1) IN GENERAL.—Not later than January 1,
2 2008, the Secretary of Transportation, in coopera-
3 tion with the Secretaries of Energy, Commerce, De-
4 fense, and the heads of other appropriate Federal
5 agencies, shall establish an interagency task force
6 and comprehensive study team to—

7 (A) study and identify the regulatory ac-
8 tions that will be needed to ensure a safe,
9 smooth transition—

10 (i) to commercialization of hydrogen
11 and fuel cell devices and fueling stations;
12 and

13 (ii) from a hydrocarbon economy to
14 hydrogen economy; and

15 (B) design a uniform regulatory approach
16 to such transition that ensures public safety.

17 (2) PARTICIPATION OF STATE AGENCIES.—The
18 Secretary of Transportation may also include in the
19 task force and study team to be established under
20 paragraph (1) the heads of those State agencies that
21 the Secretary determines are most likely to be in-
22 strumental in leading the effort toward commer-
23 cialization of hydrogen and fuel cell devices and fuel-
24 ing stations and will have responsibility for imple-

1 menting the regulations issued as a result of the reg-
2 ulating actions referred to in paragraph (1).

3 (3) REPORT.—Not later than January 1,
4 2010—

5 (A) the task force and study team estab-
6 lished under paragraph (1) shall complete the
7 identification of the regulatory actions described
8 in paragraph (1) and the study, and design of
9 the uniform regulatory approach, under para-
10 graph (1); and

11 (B) the Secretary shall submit to Congress
12 a report on the results of the identification
13 process, study, and design process, together
14 with proposed legislation that the Secretary rec-
15 ommends to facilitate such regulatory actions or
16 as being necessary for commercial development
17 and hydrogen and fuel cell devices and fueling
18 stations and a smooth transition from a hydro-
19 carbon economy to hydrogen economy.

20 (c) TRAINING AND FAMILIARIZATION PROGRAM.—

21 (1) ESTABLISHMENT.—The Secretary of Trans-
22 portation, in cooperation with the task force and
23 study team established under subsection (b), shall
24 establish a cooperative, cost-shared training and fa-
25 miliarization program to facilitate commercial devel-

1 opment and hydrogen and fuel cell devices and fuel-
2 ing stations and a smooth transition from a hydro-
3 carbon economy to hydrogen economy.

4 (2) COST-SHARING AGREEMENTS.—Under the
5 program, the Secretary shall enter into cost-sharing
6 agreements with State and local governments and
7 other persons that require the Secretary to provide
8 for employees of, and individuals providing con-
9 tracted services for, such governments and persons
10 training and education regarding the uniform regu-
11 latory approach designed under subsection (b).

12 (3) UTILIZATION OF CERTAIN SAFETY CODES
13 AND STANDARDS.—In providing training and edu-
14 cation under this subsection, the Secretary shall uti-
15 lize the safety codes and standards being developed
16 under section 809(b) of the Energy Policy Act of
17 2005 (42 U.S.C. 16158; 119 Stat. 851).

18 (d) AUTHORIZATION OF APPROPRIATIONS.—There is
19 authorized to be appropriated to carry out this section
20 \$4,000,000 for each of the fiscal years 2008 through
21 2012.

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