

110TH CONGRESS
1ST SESSION

S. 1697

To amend the Internal Revenue Code of 1986 to provide a credit for residential biomass fuel property expenditures.

IN THE SENATE OF THE UNITED STATES

JUNE 26, 2007

Mr. SUNUNU (for himself, Mr. GREGG, and Mr. THUNE) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to provide a credit for residential biomass fuel property expenditures.

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 Tax
5 Parity Act of 2007”.

6 **SEC. 2. CREDIT FOR BIOMASS FUEL PROPERTY EXPENDI-**
7 **TURES.**

8 (a) ALLOWANCE OF CREDIT.—Subsection (a) of sec-
9 tion 25D of the Internal Revenue Code of 1986 (relating
10 to allowance of credit), is amended—

1 (1) by striking “and” at the end of paragraph
2 (2),

3 (2) by striking the period at the end of para-
4 graph (3) and inserting “, and”, and

5 (3) by adding at the end the following new
6 paragraph:

7 “(4) 30 percent of the qualified biomass fuel
8 property expenditures made by the taxpayer during
9 such year.”.

10 (b) MAXIMUM CREDIT.—Paragraph (1) of section
11 25D(b) of such Code (relating to maximum credit) is
12 amended—

13 (1) by striking “and” at the end of subpara-
14 graph (B),

15 (2) by striking the period at the end of sub-
16 paragraph (C) and inserting “, and”, and

17 (3) by adding at the end the following new sub-
18 paragraph:

19 “(D) \$2,000 with respect to any qualified
20 biomass fuel property expenditures.”.

21 (c) MAXIMUM EXPENDITURES.—Subparagraph (A)
22 of section 25D(e)(4) of such Code (relating to maximum
23 expenditures in case of joint occupancy) is amended—

24 (1) by striking “and” at the end of clause (ii),

1 (2) by striking the period at the end of clause
2 (iii) and inserting “, and”, and

3 (3) by adding at the end the following new
4 clause:

5 “(iv) \$6,667 in the case of any quali-
6 fied biomass fuel property expenditures.”.

7 (d) QUALIFIED BIOMASS FUEL PROPERTY EXPENDI-
8 TURES.—Subsection (d) of section 25D of such Code (re-
9 lating to definitions) is amended by adding at the end the
10 following new paragraph:

11 “(4) QUALIFIED BIOMASS FUEL PROPERTY EX-
12 PENDITURE.—

13 “(A) IN GENERAL.—The term ‘qualified
14 biomass fuel property expenditure’ means an
15 expenditure for property—

16 “(i) which uses the burning of bio-
17 mass fuel to heat a dwelling unit located in
18 the United States and used as a residence
19 by the taxpayer, or to heat water for use
20 in such a dwelling unit, and

21 “(ii) which has a thermal efficiency
22 rating of at least 75 percent.

23 “(B) BIOMASS FUEL.—For purposes of
24 this section, the term ‘biomass fuel’ means any
25 plant-derived fuel available on a renewable or

1 recurring basis, including agricultural crops and
2 trees, wood and wood waste and residues (in-
3 cluding wood pellets), plants (including aquatic
4 plants), grasses, residues, and fibers.”.

5 (e) EFFECTIVE DATE.—The amendments made by
6 this section shall apply to expenditures paid or incurred
7 in taxable years beginning after December 31, 2007.

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