

110TH CONGRESS  
2D SESSION

# S. 3228

To amend the Internal Revenue Code of 1986 to allow a credit for green roofs.

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IN THE SENATE OF THE UNITED STATES

JULY 8, 2008

Mr. SMITH (for himself and Ms. CANTWELL) 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 allow a credit for green roofs.

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 GREEN ROOFS.**

4       (a) FINDINGS AND PURPOSE.—

5               (1) FINDINGS.—Congress makes the following  
6       findings:

7               (A) Green roofs reduce storm water run  
8       off.

9               (B) Green roofs reduce heating and cooling  
10      loads on a building.

1 (C) Green roofs filter pollutants and car-  
2 bon dioxide out of the air.

3 (D) Green roofs filter pollutants and heavy  
4 metals out of rainwater.

5 (E) Construction of green roofs has the po-  
6 tential to reduce the size of heating, ventilation,  
7 and air conditioning equipment on new or retro-  
8 fitted buildings resulting in capital and oper-  
9 ational savings.

10 (F) Green roofs have the potential to re-  
11 duce the amount of standard insulation used.

12 (G) After installation, green roofs can re-  
13 duce sewage system loads by assimilating large  
14 amounts of rainwater.

15 (H) Green roofs absorb air pollution, col-  
16 lect airborne particulates, and store carbon.

17 (I) Green roofs protect underlying roof ma-  
18 terial by eliminating exposure to the sun's ul-  
19 traviolet radiation and extreme daily tempera-  
20 ture fluctuations.

21 (J) Green roofs reduce noise transfer from  
22 the outdoors.

23 (K) Green roofs insulate a building from  
24 extreme temperatures, mainly by keeping the  
25 building interior cool in the summer.

1 (L) Green roofs provide habitat for bene-  
 2 ficial insects, such as honeybees and other polli-  
 3 nators, and small animals such as birds.

4 (2) PURPOSE.—The purpose of this section is  
 5 to encourage the construction of green roofs there-  
 6 by—

7 (A) reducing rooftop temperatures and  
 8 heat transfer; decreasing summertime indoor  
 9 temperatures;

10 (B) lessening pressure on sewer systems  
 11 through the absorption of rainwater;

12 (C) filtering pollution—including heavy  
 13 metals and excess nutrients;

14 (D) protecting underlying roof material;

15 (E) reducing noise;

16 (F) providing a habitat for birds and other  
 17 small animals;

18 (G) improving the quality of life for build-  
 19 ing inhabitants; and

20 (H) reducing the urban heat island effect  
 21 by decreasing rooftop temperatures.

22 (b) GREEN ROOFS ELIGIBLE FOR ENERGY CRED-  
 23 IT.—

24 (1) IN GENERAL.—Subparagraph (A) of section  
 25 48(a)(3) of the Internal Revenue Code of 1986 is

1 amended by striking “or” at the end of clause (iii),  
 2 by striking the period at the end of clause (iv) and  
 3 inserting “, or”, and by adding at the end the fol-  
 4 lowing new clause:

5 “(v) a qualified green roof (as defined  
 6 in section 25D(d)(4)(B)).”.

7 (2) CREDIT ALLOWED AGAINST ALTERNATIVE  
 8 MINIMUM TAX.—Subparagraph (B) of section  
 9 38(c)(4) of such Code is amended by striking “and”  
 10 at the end of clause (iii), by redesignating clause (iv)  
 11 as clause (v), and by inserting after clause (iii) the  
 12 following new clause:

13 “(iv) so much of the credit determined  
 14 under section 46 as is attributable to the  
 15 credit determined under section 48, and”.

16 (3) EFFECTIVE DATE.—The amendments made  
 17 by this subsection shall apply to periods after De-  
 18 cember 31, 2008, under rules similar to the rules of  
 19 section 48(m) of the Internal Revenue Code of 1986  
 20 (as in effect before the date of the enactment of the  
 21 Revenue Reconciliation Act of 1990).

22 (c) CREDIT FOR RESIDENTIAL GREEN ROOFS.—

23 (1) IN GENERAL.—

24 (A) ALLOWANCE OF CREDIT.—Section  
 25 25D(a) of the Internal Revenue Code of 1986

1 (relating to allowance of credit) is amended by  
 2 striking “and” at the end of paragraph (2), by  
 3 striking the period at the end of paragraph (3)  
 4 and inserting “, and”, and by adding at the end  
 5 the following new paragraph:

6 “(4) 30 percent of the qualified green roof  
 7 property expenditures made by the taxpayer during  
 8 such year.”.

9 (B) LIMITATION.—Section 25D(b)(1) of  
 10 such Code (relating to maximum credit) is  
 11 amended by striking “and” at the end of sub-  
 12 paragraph (B), by striking the period at the  
 13 end of subparagraph (C) and inserting “, and”,  
 14 and by adding at the end the following new sub-  
 15 paragraph:

16 “(D) \$2,000 with respect to any qualified  
 17 green roof property expenditures.”.

18 (C) QUALIFIED GREEN ROOF PROPERTY  
 19 EXPENDITURES.—Section 25D(d) of such Code  
 20 (relating to definitions) is amended by adding  
 21 at the end the following new paragraph:

22 “(4) QUALIFIED GREEN ROOF PROPERTY EX-  
 23 PENDITURE.—

24 “(A) IN GENERAL.—The term ‘qualified  
 25 green roof property expenditure’ means an ex-

penditure for a qualified green roof which is installed on a building located in the United States and used as a residence by the taxpayer.

“(B) QUALIFIED GREEN ROOF.—The term ‘qualified green roof’ means any green roof at least 40 percent of which is vegetated.

“(C) GREEN ROOF.—The term ‘green roof’ means any roof which consists of vegetation and soil, or a growing medium, planted over a waterproofing membrane and its associated components, such as a protection course, a root barrier, a drainage layer, or thermal insulation and an aeration layer.”.

(D) MAXIMUM EXPENDITURES IN CASE OF JOINT OCCUPANCY.—Section 25D(e)(4)(A) of such Code (relating to maximum expenditures) is amended by striking “and” at the end of clause (ii), by striking the period at the end of clause (iii) and inserting “, and”, and by adding at the end the following new clause:

“(iv) \$1,667 in the case of any qualified green roof property expenditures.”.

(2) CREDIT ALLOWED AGAINST ALTERNATIVE MINIMUM TAX.—

1 (A) IN GENERAL.—Subsection (c) of sec-  
 2 tion 25D of the internal Revenue Code of 1986  
 3 is amended to read as follows:

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

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

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

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

17 “(2) CARRYFORWARD OF UNUSED CREDIT.—

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

subpart (other than this section), such excess shall be carried to the succeeding taxable year and added to the credit allowable under subsection (a) for such succeeding taxable year.

“(B) RULE FOR OTHER YEARS.—In the case of a taxable year to which section 26(a)(2) does not apply, if the credit allowable under subsection (a) exceeds the limitation imposed by paragraph (1) for such taxable year, such excess shall be carried to the succeeding taxable year and added to the credit allowable under subsection (a) for such succeeding taxable year.”.

(B) CONFORMING AMENDMENTS.—

(i) Section 23(b)(4)(B) of the Internal Revenue Code of 1986 is amended by inserting “and section 25D” after “this section”.

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

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

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

4 (3) EFFECTIVE DATE.—

5 (A) IN GENERAL.—The amendments made  
6 by this subsection shall apply to property placed  
7 in service after December 31, 2008, in taxable  
8 years ending after such date.

9 (B) APPLICATION OF EGTRRA SUNSET.—  
10 The amendments made by clauses (i) and (ii) of  
11 paragraph (2)(B) shall be subject to title IX of  
12 the Economic Growth and Tax Relief Reconcili-  
13 ation Act of 2001 in the same manner as the  
14 provisions of such Act to which such amend-  
15 ments relate.

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