113TH CONGRESS
2D SESSION

S. 2059

To amend the Internal Revenue Code of 1986 to allow a credit for the purchase of heating and cooling equipment which meets the Energy Star program requirements and is used in certain high-cost energy communities, and for other purposes.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 27, 2014

Mr. BEGICH 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 the purchase of heating and cooling equipment which meets the Energy Star program requirements and is used in certain high-cost energy communities, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Energy Efficient Heating and Cooling Tax Credit Act''.

SEC. 2. CREDIT FOR CONVERSION OF HOME HEATING USING OIL FUEL TO USING NATURAL GAS OR BIOMASS FEEDSTOCKS.

(a) IN GENERAL.—Subsection (a) of section 25C of the Internal Revenue Code of 1986 (relating to nonbusiness energy property) is amended by striking ''and'' at the end of paragraph (1), by striking the period at the end of paragraph (2) and inserting '', and'', and by adding at the end the following new paragraph:

''(3) the amount of the qualifying heating conversion expenditures paid or incurred by the taxpayer during such taxable year.''.

(b) DOLLAR LIMITATION.—

(1) IN GENERAL.—

(A) LIMITATION.—Subsection (b) of section 25C of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

''(4) LIMITATION ON QUALIFYING HEATING CONVERSION EXPENDITURES.—The amount of the credit allowed under this section by reason of paragraph (3) of subsection (a) for any taxable year with respect to any taxpayer shall not exceed $5,000.''.

(B) CONFORMING AMENDMENT.—Paragraph (1) of section 25C(b) of such Code is amended by inserting ''by reason of paragraphs

(1) and (2) of subsection (a)'' after ''The credit allowed under this section''.

(2) NO DOUBLE COUNTING.—Section 25C(e) of such Code (relating to special rules) is amended by adding at the end the following new paragraph:

''(4) NO DOUBLE COUNTING.—No amount taken into account for purposes of determining a credit under this section by reason of paragraph (3) of subsection (a) shall be taken into account for purposes of determining a credit under this section by reason of paragraphs (1) and (2) of subsection (a).''.

(c) QUALIFYING HEATING CONVERSION EXPENDITURES.—Section 25C of the Internal Revenue Code of 1986 (relating to residential energy property expenditures) is amended by adding at the end the following new subsection:

''(h) QUALIFYING HEATING CONVERSION EXPENDITURES.—

''(1) IN GENERAL.—The term 'qualifying heating conversion expenditures' means expenditures made by the taxpayer for qualified heating conversion property which—

''(A) meets the requirements of subparagraphs (A) and (B) of subsection (d)(1), and

"(B) is used as a heating or cooling system on a building or structure located in a community (as determined under section 19(a)(1) of the Rural Electrification Act of 1936) in which the average residential expenditure for home energy is more than 200 percent of the national average residential expenditure for home energy (as determined by the Energy Information Agency using the most recent data available).

"(2) AMOUNTS INCLUDED.—The term 'qualifying heating conversion expenditures' includes expenditures—

"(A) for labor costs properly allocable to the onsite preparation, assembly, or original installation of property described in paragraph (1), including fuel service connection installation costs specifically related to fuel service to the qualified energy property used in such conversion, and

"(B) the removal of the fuel oil equipment (including any storage tank) for such a building or structure.

"(3) EXCLUSIONS.—Such term does not include expenditures for soil cleanup.

"(4) QUALIFIED HEATING CONVERSION PROPERTY.—For purposes of paragraph (1), the term 'qualified heating conversion property' means property which—

"(A) is placed in service before January 1, 2019,

"(B) meets the performance and quality standards described in subsection (d)(2)(B), and

"(C) is a product which qualifies under the Energy Star program and meets the requirements for such property under such program.".

(d) CONFORMING AMENDMENT.—Subsection (g) of section 25C of the Internal Revenue Code of 1986 (relating to termination) is amended by striking "This section" and inserting "Paragraphs (1) and (2) of subsection (a)".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after the date of the enactment of this Act.

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