113TH CONGRESS
2D SESSION

S. 2388

To amend the Internal Revenue Code of 1986 to modify the depreciation recovery period for energy-efficient cool roof systems, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 22, 2014

Mr. CARDIN (for himself, Mr. CRAPO, and Mr. HELLER) 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 modify the depreciation recovery period for energy-efficient cool roof systems, 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 Cool Roof Jobs Act''.

SEC. 2. DEPRECIATION RECOVERY PERIOD FOR CERTAIN ROOF SYSTEMS.

(a) 20-YEAR RECOVERY PERIOD.—

(1) IN GENERAL.—Subparagraph (F) of section 168(e)(3) of the Internal Revenue Code of 1986 is amended to read as follows:

"(F) 20-YEAR PROPERTY.—The term '20-year property' means—

"(i) initial clearing and grading land improvements with respect to any electric utility transmission and distribution plant, and

"(ii) any qualified energy-efficient cool roof replacement property.".

(2) QUALIFIED ENERGY-EFFICIENT COOL ROOF REPLACEMENT PROPERTY.—Section 168(e) of such Code is amended by adding at the end the following new paragraph:

"(9) QUALIFIED ENERGY-EFFICIENT COOL ROOF REPLACEMENT PROPERTY.—

"(A) IN GENERAL.—The term 'qualified energy-efficient cool roof replacement property' means any roof system—

"(i) which is placed in service above conditioned or semi-heated space on an eligible commercial building,

"(ii) which has a slope equal to or less than 2:12, "(iii) which replaces an existing roof system, and

"(iv) which includes—

"(I) insulation which meets or exceeds the minimum prescriptive requirements in tables A–1 to A–9 in the Normative Appendix A of ASHRAE Standard 189.1–2011, and

"(II) in the case of an eligible commercial building located in a climate zone other than climate zone 6, 7, or 8 (as specified in ASHRAE Standard 189.1–2011), a primary roof covering which has a cool roof surface.

"(B) COOL ROOF SURFACE.—The term 'cool roof surface' means a roof the exterior surface of which—

"(i) has a 3-year-aged solar reflectance of at least 0.55 and a 3-year-aged thermal emittance of at least 0.75, as determined in accordance with the Cool Roof Rating Council CRRC–1 Product Rating Program, or "(ii) has a 3-year-aged solar reflectance index (SRI) of at least 64, as determined in accordance with ASTM Standard E1980, determined—

"(I) using a medium-wind-speed convection coefficient of 12 W/m^2·K, and

"(II) using the values for 3-year-aged solar reflectance and 3-year-aged thermal emittance determined in accordance with the Cool Roof Rating Council CRRC–1 Product Rating Program.

"(C) ROOF SYSTEM.—The term 'roof system' means a system of roof components, including roof insulation and a membrane or primary roof covering, but not including the roof deck, designed to weather-proof and improve the thermal resistance of a building.

"(D) ELIGIBLE COMMERCIAL BUILDING.— The term 'eligible commercial building' means any building—

"(i) which is within the scope of ASHRAE Standard 90.1–2010, "(ii) which is located in the United States,

"(iii) with respect to which depreciation (or amortization in lieu of depreciation) is allowable, and

"(iv) which was placed in service before the date that is 3 years prior to the date the roof system described in subparagraph (A) is placed in service.

"(E) ASHRAE.—The term 'ASHRAE' means the American Society of Heating, Refrigerating and Air-Conditioning Engineers.".

(b) REQUIREMENT TO USE STRAIGHT LINE METHOD.—Paragraph (3) of section 168(b) of the Internal Revenue Code of 1986 is amended by adding at the end the following new subparagraph:

"(J) Any qualified energy-efficient cool roof replacement property.".

(c) ALTERNATIVE SYSTEM.—The table contained in section 168(g)(3)(B) of the Internal Revenue Code of 1986 is amended by striking the last item and inserting the following new items:

"(F)(i)	25
(F)(ii)	27.5".

(d) DEPRECIATION RULES FOR CERTAIN QUALIFIED ENERGY-EFFICIENT COOL ROOF REPLACEMENT PROP-

ERTY FOR PURPOSES OF COMPUTING THE EARNINGS AND PROFITS OF A REAL ESTATE INVESTMENT TRUST.—

(1) IN GENERAL.—Paragraph (3) of section 312(k) of the Internal Revenue Code of 1986 is amended by adding at the end the following new subparagraph:

"(C) TREATMENT OF QUALIFIED ENERGY-EFFICIENT COOL ROOF REPLACEMENT PROPERTY.—In the case of any qualified energy-efficient cool roof replacement property (within the meaning of section 168(e)(9)), the adjustment for depreciation to earnings and profits of a real estate investment trust for any taxable year shall be determined under the alternative depreciation method (within the meaning of section 168(g)(2)), except that the recovery period shall be 20 years.".

(2) CONFORMING AMENDMENT.—Subparagraph (A) of section 312(k)(3) of such Code is amended by striking "subparagraph (B)," and inserting "subparagraphs (B) and (C),".

(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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