II

113TH CONGRESS
2D SESSION

S. 2739

To amend the Internal Revenue Code of 1986 to make qualified biogas property eligible for the energy credit and to permit new clean renewable energy bonds to finance qualified biogas property.

IN THE SENATE OF THE UNITED STATES

JULY 31, 2014

Mr. SCHUMER 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 make qualified biogas property eligible for the energy credit and to permit new clean renewable energy bonds to finance qualified biogas property.

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 ‘‘Biogas Investment Tax Credit Act of 2014’’.

SEC. 2. INCENTIVES FOR QUALIFIED BIOGAS PROPERTY.

(a) INCENTIVES FOR QUALIFIED BIOGAS PROPERTY MADE ELIGIBLE FOR THE ENERGY CREDIT.—

(1) IN GENERAL.—Subparagraph (A) of section 48(a)(3) of the Internal Revenue Code of 1986 is amended by striking ''or'' at the end of clause (vi), by inserting ''or'' at the end of clause (vii), and by adding at the end the following new clause:

''(viii) qualified biogas property,''.

(2) QUALIFIED BIOGAS PROPERTY.—Subsection (c) of section 48 of such Code is amended by adding at the end the following new paragraph:

''(5) QUALIFIED BIOGAS PROPERTY.—

''(A) IN GENERAL.—The term 'qualified biogas property' means property comprising a system which—

''(i) uses anaerobic digesters or other biological, chemical, thermal, or mechanical processes (alone or in combination) to convert biomass (as defined in section 45K(c)(3)) into a gas which consists of not less than 52 percent methane, and

''(ii) captures such gas for use as a fuel.

''(B) INCLUSION OF CERTAIN CLEANING AND CONDITIONING EQUIPMENT.—Such term shall include any property which cleans and conditions the gas referred to in subparagraph (A) for use as a fuel.

"(C) TERMINATION.—No credit shall be determined under this section with respect to any qualified biogas property for any period after December 31, 2019.".

(3) QUALIFIED BIOGAS PROPERTY MADE ELIGIBLE FOR 30 PERCENT CREDIT.—Clause (i) of section 48(a)(2)(A) of such Code is amended by striking "and" at the end of subclause (III) and by adding at the end the following new subclause:

"(V) qualified biogas property, and".

(4) DENIAL OF DOUBLE BENEFIT.—Subsection (e) of section 45 of such Code is amended by adding at the end the following new paragraph:

"(12) COORDINATION WITH ENERGY CREDIT FOR QUALIFIED BIOGAS PROPERTY.—The term 'qualified facility' shall not include any facility which produces electricity from gas produced by qualified biogas property (as defined in section 48(c)(5)) if a credit is determined under section 48 with respect to such property for the taxable year or any prior taxable year.".

(5) EFFECTIVE DATE.—The amendments made by this subsection shall apply to periods after December 31, 2013, in taxable years ending after such date, under rules similar to the rules of section 48(m) of the Internal Revenue Code of 1986 (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990).

(b) QUALIFIED BIOGAS PROPERTY MADE ELIGIBLE FOR FINANCING WITH NEW CLEAN RENEWABLE ENERGY BONDS.—

(1) IN GENERAL.—Paragraph (1) of section 54C(d) of the Internal Revenue Code of 1986 is amended by inserting '', or a qualified biogas property (as defined in section 48(c)(5)),'' before ''owned by''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to obligations issued after the date of the enactment of this Act.

(c) STUDY OF BIOGAS.—The Secretary of the Treasury shall enter into an agreement with the National Renewable Energy Laboratory to undertake a study of biogas. Such agreement shall provide for a written report to be submitted to Congress not later than 2 years after the date of the enactment of this Act. Such report shall address the following issues:

(1) The quality of biogas, including a comparison of biogas to natural gas and the identification of any components of biogas which make it unsuitable for injection into existing natural gas pipelines.

(2) Methods for obtaining the highest energy content in biogas, including the use of co-digestion and identifying the optimal feed mixture.

(3) Recommendations for the expansion of biogas production, including an analysis of the extent to which increasing the methane content of biogas would result in its greater use and an analysis of how the expanded use of biogas could help meet the growing energy needs of the United States.

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