

114TH CONGRESS
1ST SESSION

H. R. 1145

To amend the Internal Revenue Code of 1986 to include biomass heating appliances for tax credits available for energy-efficient building property and energy property.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 26, 2015

Mr. WELCH (for himself and Mr. GIBSON) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to include biomass heating appliances for tax credits available for energy-efficient building property and energy property.

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 “Biomass Thermal Uti-
5 lization Act of 2015” or the “BTU Act of 2015”.

1 **SEC. 2. RESIDENTIAL ENERGY-EFFICIENT PROPERTY**
2 **CREDIT FOR BIOMASS FUEL PROPERTY EX-**
3 **PENDITURES.**

4 (a) ALLOWANCE OF CREDIT.—Subsection (a) of sec-
5 tion 25D of the Internal Revenue Code of 1986 is amend-
6 ed—

7 (1) by striking “and” at the end of paragraph
8 (4),

9 (2) by striking the period at the end of para-
10 graph (5) and inserting “, and”, and

11 (3) by adding at the end the following new
12 paragraph:

13 “(6) in the case of taxable years beginning be-
14 fore January 1, 2021, 30 percent of the qualified
15 biomass fuel property expenditures made by the tax-
16 payer during such year.”.

17 (b) QUALIFIED BIOMASS FUEL PROPERTY EXPENDI-
18 TURES.—Subsection (d) of section 25D of the Internal
19 Revenue Code of 1986 is amended by adding at the end
20 the following new paragraph:

21 “(6) QUALIFIED BIOMASS FUEL PROPERTY EX-
22 PENDITURE.—

23 “(A) IN GENERAL.—The term ‘qualified
24 biomass fuel property expenditure’ means an
25 expenditure for property—

1 “(i) which uses the burning of bio-
2 mass fuel to heat a dwelling unit located in
3 the United States and used as a residence
4 by the taxpayer, or to heat water for use
5 in such a dwelling unit, and

6 “(ii) which has a thermal efficiency
7 rating of at least 75 percent (measured by
8 the higher heating value of the fuel).

9 “(B) BIOMASS FUEL.—For purposes of
10 this section, the term ‘biomass fuel’ means any
11 plant-derived fuel available on a renewable or
12 recurring basis, including agricultural crops and
13 trees, wood and wood waste and residues,
14 plants (including aquatic plants), grasses, resi-
15 dues, and fibers. Such term includes densified
16 biomass fuels such as wood pellets.”.

17 (c) EFFECTIVE DATE.—The amendments made by
18 this section shall apply to expenditures paid or incurred
19 in taxable years beginning after December 31, 2015.

20 **SEC. 3. INVESTMENT TAX CREDIT FOR BIOMASS HEATING**
21 **PROPERTY.**

22 (a) IN GENERAL.—Subparagraph (A) of section
23 48(a)(3) of the Internal Revenue Code of 1986 is amended
24 by striking “or” at the end of clause (vi), by inserting

1 “or” at the end of clause (vii), and by inserting after
 2 clause (vii) the following new clause:

3 “(viii) open-loop biomass (within the
 4 meaning of section 45(c)(3)) heating prop-
 5 erty, including boilers or furnaces which
 6 operate at thermal output efficiencies of
 7 not less than 65 percent (measured by the
 8 higher heating value of the fuel) and which
 9 provide thermal energy in the form of heat,
 10 hot water, or steam for space heating, air
 11 conditioning, domestic hot water, or indus-
 12 trial process heat,”.

13 (b) 30-PERCENT AND 15-PERCENT CREDITS.—

14 (1) ENERGY PERCENTAGE.—

15 (A) IN GENERAL.—Subparagraph (A) of
 16 section 48(a)(2) of the Internal Revenue Code
 17 of 1986 is amended by redesignating clause (ii)
 18 as clause (iii) and by inserting after clause (i)
 19 the following new clause:

20 “(ii) except as provided in clause
 21 (i)(V), 15 percent in the case of energy
 22 property described in paragraph
 23 (3)(A)(viii), but only with respect to peri-
 24 ods ending before January 1, 2021, and”.

1 (B) CONFORMING AMENDMENT.—Subpara-
2 graph of section 48(a)(2)(A)(iii) of such Code,
3 as so redesignated, is amended by inserting “or
4 (ii)” after “clause (i)”.

5 (2) INCREASED CREDIT FOR GREATER EFFI-
6 CIENCY.—Clause (i) of section 48(a)(2)(A) of such
7 Code is amended by striking “and” at the end of
8 subclause (III) and by inserting after subclause (IV)
9 the following new subclause:

10 “(V) energy property described in
11 paragraph (3)(A)(viii) which operates
12 at a thermal output efficiency of not
13 less than 80 percent (measured by the
14 higher heating value of the fuel), but
15 only with respect to periods ending
16 before January 1, 2021,”.

17 (c) EFFECTIVE DATE.—The amendments made by
18 this section shall apply to periods after December 31,
19 2015, in taxable years ending after such date, under rules
20 similar to the rules of section 48(m) of the Internal Rev-
21 enue Code of 1986 (as in effect on the day before the date
22 of the enactment of the Revenue Reconciliation Act of
23 1990).

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