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116TH CONGRESS
1ST SESSION

H. R. 5155

To amend the Internal Revenue Code of 1986 to include waste energy recovery property in the energy credit.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 19, 2019

Mr. SCHNEIDER (for himself, Mr. SUOZZI, Ms. SÁNCHEZ, Mr. DANNY K. DAVIS of Illinois, Mr. BEYER, Mr. PANETTA, Mr. BLUMENAUER, and Ms. MOORE) introduced the following bill; which was referred to the Committee on Ways and Means

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A BILL

To amend the Internal Revenue Code of 1986 to include waste energy recovery property in the energy credit.

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 "Waste Heat to Power Investment Tax Credit Act of 2019".

SEC. 2. INCLUSION OF WASTE ENERGY RECOVERY PROPERTY IN ENERGY CREDIT.

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

"(viii) waste energy recovery property,".

(b) APPLICATION OF 30 PERCENT CREDIT.—Section 48(a)(2)(A)(i) of such Code is amended by striking "and" at the end of subclauses (III) and adding at the end the following new subclause:

"(V) waste energy recovery property, and".

(c) PHASEOUT.—Section 48(a) of such Code is amended by adding at the end the following new paragraph:

"(8) PHASEOUT FOR WASTE ENERGY RECOVERY PROPERTY.—

"(A) IN GENERAL.—Subject to subparagraph (B), in the case of any waste energy recovery property, the energy percentage determined under paragraph (2) shall be equal to—

"(i) in the case of any property the construction of which begins after December 31, 2024, and before January 1, 2026, 26 percent, and "(ii) in the case of any property the construction of which begins after December 31, 2025, and before January 1, 2027, 22 percent.

"(B) PLACED IN SERVICE DEADLINE.—In the case of any energy property described in subparagraph (A) which is not placed in service before January 1, 2029, the energy percentage determined under paragraph (2) shall be equal to 0 percent.".

(d) DEFINITIONS.—Section 48(c) of such Code is amended by adding at the end the following new paragraph:

"(5) WASTE ENERGY RECOVERY PROPERTY.—

"(A) IN GENERAL.—The term 'waste energy recovery property' means property that generates electricity solely from heat from buildings or equipment if the primary purpose of such building or equipment is not the generation of electricity.

"(B) CAPACITY LIMITATION.—The term 'waste energy recovery property' shall not include any property which has a capacity in excess of 50 megawatts.

"(C) NO DOUBLE BENEFIT.—Any waste energy recovery property (determined without regard to this subparagraph) which is part of a system which is a combined heat and power system property shall not be treated as waste energy recovery property for purposes of this section unless the taxpayer elects to not treat such system as a combined heat and power system property for purposes of this section.

"(D) TERMINATION.—The term 'waste energy recovery property' shall not include any property the construction of which does not begin before January 1, 2027.".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to periods after December 31, 2019, under rules similar to the rules of section 48(m) as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990.

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