

111TH CONGRESS
1ST SESSION

H. R. 3834

To amend the Internal Revenue Code of 1986 to enhance incentives for renewable energy development in high job-loss zones in metropolitan and micropolitan statistical areas.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 15, 2009

Mr. HIGGINS (for himself, Mr. HINCHEY, Mr. MASSA, Ms. MOORE of Wisconsin, Mr. MAFFEL, Mr. LEE of New York, and Mr. HOLT) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Internal Revenue Code of 1986 to enhance incentives for renewable energy development in high job-loss zones in metropolitan and micropolitan statistical areas.

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 “Green Energy Invest-
5 ment Zone Act of 2009”.

1 **SEC. 2. INCREASE IN INCENTIVES RELATING TO ALTER-**
2 **NATIVE ENERGY PROPERTIES IN HIGH JOB-**
3 **LOSS AREAS.**

4 (a) INVESTMENT TAX CREDITS (OTHER THAN
5 QUALIFIED FACILITIES).—Paragraph (2) of section 48(a)
6 of the Internal Revenue Code of 1986 is amended by add-
7 ing at the end the following:

8 “(C) SPECIAL RULE FOR ENERGY PROP-
9 ERTY LOCATED IN HIGH JOB-LOSS ZONES.—

10 “(i) IN GENERAL.—In the case of any
11 energy property placed in service in a
12 green energy investment zone after the
13 date of the enactment of this subpara-
14 graph, subparagraph (A) shall be ap-
15 plied—

16 “(I) by substituting ‘40 percent’
17 for ‘30 percent’ in clause (i) thereof,
18 and

19 “(II) by substituting ‘20 percent’
20 for ‘10 percent’ in clause (ii) thereof.

21 “(ii) GREEN ENERGY INVESTMENT
22 ZONE.—For purposes of paragraph (1),
23 the term ‘green energy investment zone’
24 means an eligible city located within a high
25 job-loss metropolitan statistical area or a
26 high job-loss micropolitan statistical area.

1 “(iii) ELIGIBLE CITY.—For purposes
2 of clause (i)—

3 “(I) METROPOLITAN STATIS-
4 TICAL AREA.—The term ‘eligible city’
5 means, with respect to a metropolitan
6 statistical area, any city in such area
7 which has a population of at least
8 50,000.

9 “(II) MICROPOLITAN STATIS-
10 TICAL AREA.—The term ‘eligible city’
11 means, with respect to a micropolitan
12 statistical area, any city in such area
13 which has a population of at least
14 10,000.

15 For purposes of this subparagraph, popu-
16 lation shall be determined using the 2000
17 census.

18 “(D) HIGH-JOB LOSS.—For purposes of
19 subparagraph (C)—

20 “(i) IN GENERAL.—The term ‘high-
21 job loss’ with respect to a metropolitan or
22 a micropolitan statistical area, as the case
23 may be, means an area designated by the
24 Secretary as being among the lowest $\frac{1}{3}$ of
25 all metropolitan or micropolitan statistical

1 areas, as the case may be, on the basis
2 of—

3 “(I) the economic conditions re-
4 ferred to in clause (ii),

5 “(II) the residential economic
6 well-being factors referred to in clause
7 (iii), and

8 “(III) a comparison of changes
9 from 1990 and 2000 (on the basis of
10 the 1990 and 2000 censuses) regard-
11 ing—

12 “(aa) employment,

13 “(bb) wages,

14 “(cc) gross metropolitan
15 product or gross micropolitan
16 product, as the case may be, and

17 “(dd) gross metropolitan
18 product per job or gross
19 micropolitan product per job, as
20 the case may be.

21 “(ii) ECONOMIC CONDITIONS.—The
22 economic conditions referred to in this
23 clause are growth in—

24 “(I) employment,

25 “(II) annual payroll, and

1 “(III) business establishments.

2 “(iii) RESIDENTIAL ECONOMIC WELL-
3 BEING FACTORS.—The residential eco-
4 nomic well-being factors referred to in the
5 clause are—

6 “(I) per capita income,

7 “(II) median household income,

8 “(III) poverty rate,

9 “(IV) unemployment rate, and

10 “(V) labor force participation
11 rate.”.

12 (b) ELECTION TO TREAT QUALIFIED FACILITIES AS
13 ENERGY PROPERTY.—Paragraph (5) of section 48(a) of
14 such Code is amended by adding at the end the following:

15 “(E) SPECIAL RULE FOR FACILITIES LO-
16 CATED IN HIGH JOB-LOSS ZONES.—In the case
17 of any qualified investment credit facility placed
18 in service in a green energy investment zone (as
19 defined in paragraph (2)(C)(ii)) after the date
20 of the enactment of this subparagraph, sub-
21 paragraph (A) shall be applied by substituting
22 ‘40 percent’ for ‘30 percent’ in clause (ii) there-
23 of.”.

1 (c) ELECTRICITY PRODUCED FROM CERTAIN RE-
2 NEWABLE RESOURCES, ETC.—Section 45 of such Code is
3 amended by adding at the end the following:

4 “(f) SPECIAL RULE FOR FACILITIES LOCATED IN
5 HIGH JOB-LOSS ZONES.—In the case of electricity pro-
6 duced by a qualified facility placed in service in a high
7 job loss metropolitan statistical area or micropolitan sta-
8 tistical area after the date of the enactment of this sub-
9 section, the amount in effect under subsection (a)(1) for
10 a taxable year (without regard to this subsection) shall
11 be increased by 0.5 cents. For the preceding sentence, the
12 term ‘high job loss’ with respect to a metropolitan statis-
13 tical area and a micropolitan statistical area has the
14 meaning given such term by section 48(a)(2)(D).”.

15 (d) GRANTS FOR SPECIFIED ENERGY PROPERTY IN
16 LIEU OF PRODUCTION CREDIT.—Subsection (b) of section
17 1603 of the American Recovery and Reinvestment Tax Act
18 of 2009 is amended by adding at the end the following
19 new paragraph:

20 “(4) SPECIAL RULE FOR SPECIFIED ENERGY
21 PROPERTY LOCATED IN HIGH JOB-LOSS ZONES.—In
22 the case of any specified energy property placed in
23 service in a green energy investment zone (as de-
24 fined in section 48(a)(2)(C)(ii)) after the date of the

1 enactment of this paragraph, paragraph (2) shall be
2 applied—

3 “(A) by substituting ‘40 percent’ for ‘30
4 percent’ in subparagraph (A) thereof, and

5 “(B) by substituting ‘20 percent’ for ‘10
6 percent’ in subparagraph (B) thereof.”.

7 (e) NONBUSINESS ENERGY PROPERTY.—

8 (1) IN GENERAL.—Subsection (a) of section
9 25C of such Code is amended by adding at the end
10 the following flush sentence:

11 “In the case of any such improvement or property which
12 was manufactured in a green energy investment zone (as
13 defined in section 48(a)(2)(C)(ii)) after the date of the
14 enactment of this sentence, the preceding sentence shall
15 be applied by substituting ‘40 percent’ for ‘30 percent’.”.

16 (2) INCREASE IN LIMITATION.—Subsection (b)
17 of section 25C of such Code is amended by striking
18 “\$1,500” and inserting “\$2,000”.

19 (f) RESIDENTIAL ENERGY EFFICIENT PROPERTY.—

20 (1) IN GENERAL.—Subsection (a) of section
21 25D of such Code is amended by adding at the end
22 the following flush sentence:

23 “In the case of property manufactured in a green energy
24 investment zone (as defined in section 48(a)(2)(C)(ii))
25 after the date of the enactment of this sentence, the pre-

1 ceding sentence shall be applied by substituting ‘40 per-
2 cent’ for ‘30 percent’ each place it appears.”.

3 (2) INCREASE IN LIMITATION.—Paragraph (1)
4 of section 25D(b) of such Code is amended by strik-
5 ing “\$500” and inserting “\$750”.

6 (g) QUALIFYING ADVANCED ENERGY PROJECT
7 CREDIT.—Paragraph (3) of section 48C(d) of such Code
8 is amended by striking “and” at the end of subparagraph
9 (A), by striking the period at the end of subparagraph
10 (B) and inserting “, and”, and by inserting after subpara-
11 graph (B) the following:

12 “(C) shall take into consideration whether
13 the project is located in a green energy invest-
14 ment zone (as defined in section
15 48(a)(2)(C)(ii)).”.

16 (h) EFFECTIVE DATE.—

17 (1) IN GENERAL.—The amendments made by
18 this section shall take effect on the date of the en-
19 actment of this Act.

20 (2) INCREASE IN LIMITATIONS.—The amend-
21 ments made by subsections (e)(2) and (f)(2) shall
22 apply to taxable years beginning after December 31,
23 2008.

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