

113TH CONGRESS  
2D SESSION

# H. R. 4740

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

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## IN THE HOUSE OF REPRESENTATIVES

MAY 22, 2014

Mr. REED (for himself, Mr. PASCRELL, Mr. NUNES, and Mr. LARSON of Connecticut) 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 modify the depreciation recovery period for energy-efficient cool roof systems.

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 “Roofing Efficiency  
5 Jobs Act of 2014”.

6 **SEC. 2. DEPRECIATION RECOVERY PERIOD FOR CERTAIN**  
7 **ROOF SYSTEMS.**

8 (a) 20-YEAR RECOVERY PERIOD.—

1           (1) IN GENERAL.—Subparagraph (F) of section  
2           168(e)(3) of the Internal Revenue Code of 1986 (re-  
3           lating to classification of certain property) is amend-  
4           ed to read as follows:

5                   “(F) 20-YEAR PROPERTY.—The term ‘20-  
6                   year property’ means—

7                           “(i) initial clearing and grading land  
8                           improvements with respect to any electric  
9                           utility transmission and distribution plant,  
10                          and

11                           “(ii) any qualified energy-efficient cool  
12                          roof replacement property.”.

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

17                   “(9) QUALIFIED ENERGY-EFFICIENT COOL  
18                   ROOF REPLACEMENT PROPERTY.—

19                           “(A) IN GENERAL.—The term ‘qualified  
20                           energy-efficient cool roof replacement property’  
21                          means any roof system—

22                                   “(i) which is placed in service—

23   “(I) above conditioned or  
24   semiheated space on an eligible com-  
25   mercial building, and

1 “(II) after the date of the enact-  
2 ment of this paragraph,

3 “(ii) which replaces an existing roof  
4 system,

5 “(iii) which is a low-slope roof (a  
6 slope equal to or less than 2:12),

7 “(iv) which includes—

8 “(I) insulation which meets or  
9 exceeds the minimum prescriptive re-  
10 quirements in tables A-1 to A-9 in  
11 the Normative Appendix A of  
12 ASHRAE Standard 189.1-2011, and

13 “(II) in the case of an eligible  
14 commercial building located in a cli-  
15 mate zone other than climate zone 6,  
16 7, or 8 (as specified in ASHRAE  
17 Standard 189.1-2011), a primary  
18 roof covering which has a cool roof  
19 surface.

20 “(B) COOL ROOF SURFACE.—The term  
21 ‘cool roof surface’ means a roof the exterior  
22 surface of which—

23 “(i) has a 3-year-aged solar reflec-  
24 tance of at least 0.55 and a 3-year-aged  
25 thermal emittance of at least 0.75, as de-

1           terminated in accordance with the Cool Roof  
2           Rating Council CRRC-1 Product Rating  
3           Program, or

4           “(ii) has a 3-year-aged solar reflec-  
5           tance index (SRI) of at least 64, as deter-  
6           mined in accordance with ASTM Standard  
7           E1980, determined—

8                       “(I) using a medium-wind-speed  
9                       convection coefficient of 12 W/m<sup>2</sup>·K,  
10                      and

11                     “(II) using the values for 3-year-  
12                     aged solar reflectance and 3-year-aged  
13                     thermal emittance determined in ac-  
14                     cordance with the Cool Roof Rating  
15                     Council CRRC-1 Product Rating Pro-  
16                     gram.

17           “(C) ROOF SYSTEM.—The term ‘roof sys-  
18           tem’ means a system of roof components, in-  
19           cluding roof insulation and a membrane or pri-  
20           mary roof covering, but not including the roof  
21           deck, designed to weather-proof and improve  
22           the thermal resistance of a building.

23           “(D) COMMERCIAL BUILDING.—The term  
24           ‘commercial building’ means any building  
25           which—

1 “(i) is within the scope of ASHRAE  
2 Standard 90.1–2010,

3 “(ii) is located in the United States,

4 “(iii) with respect to which deprecia-  
5 tion (or amortization in lieu of deprecia-  
6 tion) is allowable, and

7 “(iv) was placed in service prior to the  
8 roof system replacement.

9 “(E) ASHRAE.—The term ‘ASHRAE’  
10 means the American Society of Heating, Refrig-  
11 erating and Air-Conditioning Engineers.”.

12 (b) REQUIREMENT TO USE STRAIGHT LINE METH-  
13 OD.—Paragraph (3) of section 168(b) of such Code is  
14 amended by adding at the end the following new subpara-  
15 graph:

16 “(J) Any qualified energy-efficient cool  
17 roof replacement property.”.

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

“(F)(i) ..... 25  
(F)(ii) ..... 27.5.”.

21 (d) DEPRECIATION RULES FOR CERTAIN QUALIFIED  
22 ENERGY-EFFICIENT COOL ROOF REPLACEMENT PROP-  
23 erty FOR PURPOSES OF COMPUTING THE EARNINGS AND  
24 PROFITS OF A REAL ESTATE INVESTMENT TRUST.—

1           (1) IN GENERAL.—Paragraph (3) of section  
2           312(k) of such Code is amended by adding at the  
3           end the following new subparagraph:

4                   “(C) TREATMENT OF QUALIFIED ENERGY  
5           EFFICIENT COOL ROOF REPLACEMENT PROP-  
6           PERTY.—In the case of any qualified energy-effi-  
7           cient cool roof replacement property (within the  
8           meaning of section 168(e)(9)), the adjustment  
9           for depreciation to earnings and profits of a  
10          real estate investment trust for any taxable  
11          year shall be determined under the alternative  
12          depreciation method (within the meaning of sec-  
13          tion 168(g)(2)), except that the recovery period  
14          shall be 20 years.”.

15          (2) CONFORMING AMENDMENT.—Subparagraph  
16          (A) of section 312(k)(3) of such Code is amended by  
17          striking “subparagraph (B),” and inserting “sub-  
18          paragraphs (B) and (C),”.

19          (e) EFFECTIVE DATE.—The amendments made by  
20          this section shall apply to property placed in service after  
21          the date of the enactment of this Act.

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