

113TH CONGRESS  
1ST SESSION

# S. 1007

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.

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IN THE SENATE OF THE UNITED STATES

MAY 22, 2013

Mr. KING (for himself and Ms. COLLINS) 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 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 2013” or the “BTU Act of 2013”.

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) 30 percent of the qualified biomass fuel  
 14 property expenditures made by the taxpayer during  
 15 such year.”.

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

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

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

25 “(i) which uses the burning of bio-  
 26 mass fuel to heat a dwelling unit located in

1 the United States and used as a residence  
 2 by the taxpayer, or to heat water for use  
 3 in such a dwelling unit, and

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

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

15 (c) EFFECTIVE DATE.—The amendments made by  
 16 this section shall apply to expenditures paid or incurred  
 17 in taxable years beginning after December 31, 2013.

18 **SEC. 3. INVESTMENT TAX CREDIT FOR BIOMASS HEATING**  
 19 **PROPERTY.**

20 (a) IN GENERAL.—Subparagraph (A) of section  
 21 48(a)(3) is amended by striking “or” at the end of clause  
 22 (vi), by inserting “or” at the end of clause (vii), and by  
 23 inserting after clause (vii) the following new clause:

24 “(viii) open-loop biomass (within the  
 25 meaning of section 45(c)(3)) heating prop-

erty, including boilers or furnaces which operate at thermal output efficiencies of not less than 65 percent (measured by the higher heating value of the fuel) and which provide thermal energy in the form of heat, hot water, or steam for space heating, air conditioning, domestic hot water, or industrial process heat, but only with respect to periods ending before January 1, 2017.”.

(b) 30 PERCENT AND 15 PERCENT CREDITS.—

(1) IN GENERAL.—Subparagraph (A) of section 48(a)(2) is amended—

(A) by redesignating clause (ii) as clause (iii),

(B) by inserting after clause (i) the following new clause:

“(ii) except as provided in clause (i)(V), 15 percent in the case of energy property described in paragraph (3)(A)(viii), and”

(C) by inserting “or (ii)” after “clause (i)” in clause (iii), as so redesignated.

(2) INCREASED CREDIT FOR GREATER EFFICIENCY.—Clause (i) of section 48(a)(2)(A) is amended by striking “and” at the end of subclause

1 (III) and by inserting after subclause (IV) the fol-  
2 lowing new subclause:

3 “(V) energy property described in  
4 paragraph (3)(A)(viii) which operates  
5 at a thermal output efficiency of not  
6 less than 80 percent (measured by the  
7 higher heating value of the fuel),”.

8 (c) EFFECTIVE DATE.—The amendments made by  
9 this section shall apply to periods after the date of the  
10 enactment of this Act, in taxable years ending after such  
11 date, under rules similar to the rules of section 48(m) of  
12 the Internal Revenue Code of 1986 (as in effect on the  
13 day before the date of the enactment of the Revenue Rec-  
14 onciliation Act of 1990).

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