

AMENDMENT TO H.R. 3746

OFFERED BY MRS. BOEBERT OF COLORADO

Add at the end of division C the following:

1 **TITLE IV—REPEAL MARKET DIS-**
2 **TORTING GREEN TAX CRED-**
3 **ITS**

4 **SEC. 331. AMENDMENT OF 1986 CODE.**

5 Except as otherwise expressly provided, whenever in
6 this title an amendment or repeal is expressed in terms
7 of an amendment to, or repeal of, a section or other provi-
8 sion, the reference shall be considered to be made to a
9 section or other provision of the Internal Revenue Code
10 of 1986.

11 **SEC. 332. MODIFICATION OF CREDIT FOR ELECTRICITY**
12 **PRODUCED FROM CERTAIN RENEWABLE RE-**
13 **SOURCES.**

14 (a) IN GENERAL.—The following provisions of sec-
15 tion 45(d) are each amended by striking “January 1,
16 2025” each place it appears and inserting “January 1,
17 2022”:

18 (1) Paragraph (2)(A).

19 (2) Paragraph (3)(A).

20 (3) Paragraph (6).

1 (4) Paragraph (7).

2 (5) Paragraph (9).

3 (6) Paragraph (11)(B).

4 (b) BASE CREDIT AMOUNT.—Section 45 is amend-
5 ed—

6 (1) in subsection (a)(1), by striking “0.3 cents”
7 and inserting “1.5 cents”, and

8 (2) in subsection (b)(2), by striking “0.3 cent”
9 each place it appears and inserting “1.5 cent”.

10 (c) APPLICATION TO GEOTHERMAL AND SOLAR.—
11 Section 45(d)(4) is amended by striking “and the con-
12 struction of which begins before January 1, 2025” and
13 all that follows and inserting “and which—

14 “(A) in the case of a facility using solar
15 energy, is placed in service before January 1,
16 2006, or

17 “(B) in the case of a facility using geo-
18 thermal energy, the construction of which be-
19 gins before January 1, 2022.

20 Such term shall not include any property described
21 in section 48(a)(3) the basis of which is taken into
22 account by the taxpayer for purposes of determining
23 the energy credit under section 48.”.

24 (d) ELECTION TO TREAT QUALIFIED FACILITIES AS
25 ENERGY PROPERTY.—Section 48(a)(5)(C)(ii) is amended

1 by striking “January 1, 2025” and inserting “January 1,
2 2022”.

3 (e) WIND FACILITIES.—

4 (1) IN GENERAL.—Section 45(d)(1) is amended
5 by striking “January 1, 2025” and inserting “Janu-
6 ary 1, 2022”.

7 (2) APPLICATION OF PHASEOUT PERCENT-
8 AGE.—

9 (A) RENEWABLE ELECTRICITY PRODUC-
10 TION CREDIT.—Section 45(b)(5) is amended by
11 striking “which is placed in service before Jan-
12 uary 1, 2022”.

13 (B) ENERGY CREDIT.—Section
14 48(a)(5)(E) is amended by striking “placed in
15 service before January 1, 2022, and”.

16 (3) QUALIFIED OFFSHORE WIND FACILITIES
17 UNDER ENERGY CREDIT.—Section 48(a)(5)(F)(i) is
18 amended by striking “offshore wind facility, sub-
19 paragraph (E) shall not apply.” and inserting “off-
20 shore wind facility—

21 “(I) subparagraph (C)(ii) shall be
22 applied by substituting ‘January 1,
23 2026’ for ‘January 1, 2022’,

24 “(II) subparagraph (E) shall not
25 apply, and

1 “(III) for purposes of this para-
2 graph, section 45(d)(1) shall be ap-
3 plied by substituting ‘January 1,
4 2026’ for ‘January 1, 2022’.”.

5 (f) WAGE AND APPRENTICESHIP REQUIREMENTS.—
6 Section 45(b) is amended by striking paragraphs (6), (7),
7 and (8).

8 (g) DOMESTIC CONTENT, PHASEOUT, AND ENERGY
9 COMMUNITIES.—Section 45(b) is amended by striking
10 paragraphs (9), (10), (11), and (12).

11 (h) CREDIT REDUCED FOR GRANTS, TAX-EXEMPT
12 BONDS, SUBSIDIZED ENERGY FINANCING, AND OTHER
13 CREDITS.—Section 45(b)(3) is amended to read as fol-
14 lows:

15 “(3) CREDIT REDUCED FOR GRANTS, TAX-EX-
16 EMPT BONDS, SUBSIDIZED ENERGY FINANCING, AND
17 OTHER CREDITS.—The amount of the credit deter-
18 mined under subsection (a) with respect to any
19 project for any taxable year (determined after the
20 application of paragraphs (1) and (2)) shall be re-
21 duced by the amount which is the product of the
22 amount so determined for such year and the lesser
23 of $\frac{1}{2}$ or a fraction—

1 “(A) the numerator of which is the sum,
2 for the taxable year and all prior taxable years,
3 of—

4 “(i) grants provided by the United
5 States, a State, or a political subdivision of
6 a State for use in connection with the
7 project,

8 “(ii) proceeds of an issue of State or
9 local government obligations used to pro-
10 vide financing for the project the interest
11 on which is exempt from tax under section
12 103,

13 “(iii) the aggregate amount of sub-
14 sidized energy financing provided (directly
15 or indirectly) under a Federal, State, or
16 local program provided in connection with
17 the project, and

18 “(iv) the amount of any other credit
19 allowable with respect to any property
20 which is part of the project, and

21 “(B) the denominator of which is the ag-
22 gregate amount of additions to the capital ac-
23 count for the project for the taxable year and
24 all prior taxable years.

1 The amounts under the preceding sentence for any
2 taxable year shall be determined as of the close of
3 the taxable year. This paragraph shall not apply
4 with respect to any facility described in subsection
5 (d)(2)(A)(ii).”.

6 (i) ROUNDING ADJUSTMENT.—

7 (1) IN GENERAL.—Section 45(b)(2) is amended
8 to read as follows:

9 “(2) CREDIT AND PHASEOUT ADJUSTMENT
10 BASED ON INFLATION.—The 1.5 cent amount in
11 subsection (a), the 8 cent amount in paragraph (1),
12 the \$4.375 amount in subsection (e)(8)(A), the \$2
13 amount in subsection (e)(8)(D)(ii)(I), and in sub-
14 section (e)(8)(B)(i) the reference price of fuel used
15 as a feedstock (within the meaning of subsection
16 (c)(7)(A)) in 2002 shall each be adjusted by multi-
17 plying such amount by the inflation adjustment fac-
18 tor for the calendar year in which the sale occurs.
19 If any amount as increased under the preceding sen-
20 tence is not a multiple of 0.1 cent, such amount
21 shall be rounded to the nearest multiple of 0.1
22 cent.”.

23 (2) CONFORMING AMENDMENT.—Section
24 45(b)(4)(A) is amended by striking “last two sen-
25 tences” and inserting “last sentence”.

1 (j) HYDROPOWER.—

2 (1) CREDIT RATE REDUCTION FOR QUALIFIED
3 HYDROELECTRIC PRODUCTION AND MARINE AND
4 HYDROKINETIC RENEWABLE ENERGY.—Section
5 45(b)(4)(A) is amended by striking “or (7)” and in-
6 serting “(7), (9), or (11)”.

7 (2) MARINE AND HYDROKINETIC RENEWABLE
8 ENERGY.—Section 45 is amended—

9 (A) in subsection (c)(10)(A)—

10 (i) in clause (iii), by adding “or” at
11 the end,

12 (ii) in clause (iv), by striking “, or”
13 and inserting a period, and

14 (iii) by striking clause (v), and

15 (B) in subsection (d)(11)(A), by striking
16 “25” and inserting “150”.

17 (k) EFFECTIVE DATES.—

18 (1) IN GENERAL.—Except as provided in para-
19 graphs (2) and (3), the amendments made by this
20 section shall apply to facilities placed in service after
21 December 31, 2021.

22 (2) CREDIT REDUCED FOR GRANTS, TAX-EX-
23 EMPT BONDS, SUBSIDIZED ENERGY FINANCING, AND
24 OTHER CREDITS.—The amendment made by sub-

1 section (h) shall apply to facilities the construction
2 of which begins after August 16, 2022.

3 (3) DOMESTIC CONTENT, PHASEOUT, ENERGY
4 COMMUNITIES.—The amendments made by sub-
5 sections (g) and (j) shall apply to facilities placed in
6 service after December 31, 2022.

7 **SEC. 333. MODIFICATION OF ENERGY CREDIT.**

8 (a) IN GENERAL.—The following provisions of sec-
9 tion 48 are each amended by striking “January 1, 2025”
10 each place it appears and inserting “January 1, 2024”:

11 (1) Subsection (a)(2)(A)(i)(II).

12 (2) Subsection (a)(3)(A)(ii).

13 (3) Subsection (c)(1)(E).

14 (4) Subsection (c)(2)(D).

15 (5) Subsection (c)(3)(A)(iv).

16 (6) Subsection (c)(4)(C).

17 (7) Subsection (c)(5)(D).

18 (b) CERTAIN ENERGY PROPERTY.—Section
19 48(a)(3)(A)(vii) is amended by striking “January 1,
20 2035” and inserting “January 1, 2024”.

21 (c) PHASEOUT OF CREDIT.—Section 48(a) is amend-
22 ed by striking paragraphs (6) and (7) and inserting the
23 following new paragraphs:

24 “(6) PHASEOUT FOR SOLAR ENERGY PROP-
25 ERTY.—

1 “(A) IN GENERAL.—Subject to subpara-
2 graph (B), in the case of any energy property
3 described in paragraph (3)(A)(i) the construc-
4 tion of which begins before January 1, 2024,
5 the energy percentage determined under para-
6 graph (2) shall be equal to—

7 “(i) in the case of any property the
8 construction of which begins after Decem-
9 ber 31, 2019, and before January 1, 2023,
10 26 percent, and

11 “(ii) in the case of any property the
12 construction of which begins after Decem-
13 ber 31, 2022, and before January 1, 2024,
14 22 percent.

15 “(B) PLACED IN SERVICE DEADLINE.—In
16 the case of any energy property described in
17 paragraph (3)(A)(i) the construction of which
18 begins before January 1, 2024, and which is
19 not placed in service before January 1, 2026,
20 the energy percentage determined under para-
21 graph (2) shall be equal to 10 percent.

22 “(7) PHASEOUT FOR CERTAIN OTHER ENERGY
23 PROPERTY.—

24 “(A) IN GENERAL.—Subject to subpara-
25 graph (B), in the case of any qualified fuel cell

1 property, qualified small wind property, waste
2 energy recovery property, or energy property
3 described in paragraph (3)(A)(ii), the energy
4 percentage determined under paragraph (2)
5 shall be equal to—

6 “(i) in the case of any property the
7 construction of which begins after Decem-
8 ber 31, 2019, and before January 1, 2023,
9 26 percent, and

10 “(ii) in the case of any property the
11 construction of which begins after Decem-
12 ber 31, 2022, and before January 1, 2024,
13 22 percent.

14 “(B) PLACED IN SERVICE DEADLINE.—In
15 the case of any energy property described in
16 subparagraph (A) which is not placed in service
17 before January 1, 2026, the energy percentage
18 determined under paragraph (2) shall be equal
19 to 0 percent.”.

20 (d) BASE ENERGY PERCENTAGE AMOUNT.—Section
21 48(a) is amended—

22 (1) in paragraph (2)(A)—

23 (A) in clause (i), by striking “6 percent”
24 and inserting “30 percent”, and

1 (B) in clause (ii), by striking “2 percent”
2 and inserting “10 percent”, and
3 (2) in paragraph (5)(A)(ii), by striking “6 per-
4 cent” and inserting “30 percent”.

5 (e) CREDIT FOR GEOTHERMAL.—Section
6 48(a)(2)(A)(i)(II) is amended by striking “clause (i) or
7 (iii) of paragraph (3)(A)” and inserting “paragraph
8 (3)(A)(i)”.

9 (f) ENERGY STORAGE TECHNOLOGIES, QUALIFIED
10 BIOGAS PROPERTY; MICROGRID CONTROLLERS RE-
11 MOVED.—

12 (1) IN GENERAL.—Section 48(a)(3)(A) is
13 amended by inserting “or” at the end of clause (vii)
14 and by striking clauses (ix), (x), and (xi).

15 (2) CONFORMING CHANGES.—

16 (A) Section 48(a)(2)(A)(i) is amended by
17 inserting “and” at the end of subclauses (IV)
18 and (V) and by striking subclauses (VI), (VII),
19 (VIII), and (IX).

20 (B) Section 48(c) is amended by striking
21 paragraphs (6), (7), and (8).

22 (C) Section 45(e) is amended by striking
23 paragraph (12).

24 (D) Section 50(d)(2) is amended by strik-
25 ing “At the election of a taxpayer” and all that

1 follows through “equal to or less than 500 kilo-
2 watt hours.”

3 (g) FUEL CELLS USING ELECTROMECHANICAL
4 PROCESSES.—

5 (1) IN GENERAL.—Section 48(e)(1) is amend-
6 ed—

7 (A) in subparagraph (A)(i)—

8 (i) by striking “or electromechanical”,
9 and

10 (ii) by striking “(1 kilowatt in the
11 case of a fuel cell power plant with a linear
12 generator assembly)”, and

13 (B) in subparagraph (C)—

14 (i) by striking “, or linear generator
15 assembly”, and

16 (ii) by striking “or
17 electromechanical”.

18 (2) LINEAR GENERATOR ASSEMBLY LIMITA-
19 TION.—Section 48(e)(1) is amended by striking sub-
20 paragraph (D) and by redesignating subparagraph
21 (E) as subparagraph (D).

22 (h) DYNAMIC GLASS.—Section 48(a)(3)(A)(ii) is
23 amended by striking “or electrochromic glass which uses
24 electricity to change its light transmittance properties in
25 order to heat or cool a structure,”.

1 (i) COORDINATION RULE REMOVED.—Paragraph (3)
2 of section 50(c) is amended—

3 (1) by inserting “and” at the end of subpara-
4 graph (A),

5 (2) by striking “, and” at the end of subpara-
6 graph (B) and inserting a period, and

7 (3) by striking subparagraph (C).

8 (j) INTERCONNECTION PROPERTY.—Section 48(a) is
9 amended by striking paragraph (8).

10 (k) ENERGY PROJECTS, WAGE REQUIREMENTS, AND
11 APPRENTICESHIP REQUIREMENTS.—Section 48(a) is
12 amended by striking paragraphs (9), (10), and (11).

13 (l) DOMESTIC CONTENT, PHASEOUT FOR ELECTIVE
14 PAYMENT.—Section 48(a) is amended by striking para-
15 graphs (12) and (13).

16 (m) RULE FOR PROPERTY FINANCED BY TAX-EX-
17 EMPT BONDS REMOVED; TEXT OF SPECIAL RULE FOR
18 PROPERTY FINANCED BY SUBSIDIZED ENERGY FINANC-
19 ING OR INDUSTRIAL DEVELOPMENT BONDS RE-
20 STORED.—Section 48(a)(4) is amended to read as follows:

21 “(4) SPECIAL RULE FOR PROPERTY FINANCED
22 BY SUBSIDIZED ENERGY FINANCING OR INDUSTRIAL
23 DEVELOPMENT BONDS.—

24 “(A) REDUCTION OF BASIS.—For purposes
25 of applying the energy percentage to any prop-

1 erty, if such property is financed in whole or in
2 part by—

3 “(i) subsidized energy financing, or

4 “(ii) the proceeds of a private activity
5 bond (within the meaning of section 141)
6 the interest on which is exempt from tax
7 under section 103,

8 the amount taken into account as the basis of
9 such property shall not exceed the amount
10 which (but for this subparagraph) would be so
11 taken into account multiplied by the fraction
12 determined under subparagraph (B).

13 “(B) DETERMINATION OF FRACTION.—For
14 purposes of subparagraph (A), the fraction de-
15 termined under this subparagraph is 1 reduced
16 by a fraction—

17 “(i) the numerator of which is that
18 portion of the basis of the property which
19 is allocable to such financing or proceeds,
20 and

21 “(ii) the denominator of which is the
22 basis of the property.

23 “(C) SUBSIDIZED ENERGY FINANCING.—
24 For purposes of subparagraph (A), the term
25 ‘subsidized energy financing’ means financing

1 provided under a Federal, State, or local pro-
2 gram a principal purpose of which is to provide
3 subsidized financing for projects designed to
4 conserve or produce energy.

5 “(D) TERMINATION.—This paragraph
6 shall not apply to periods after December 31,
7 2008, under rules similar to the rules of section
8 48(m) (as in effect on the day before the date
9 of the enactment of the Revenue Reconciliation
10 Act of 1990).”.

11 (n) TREATMENT OF CONTRACTS INVOLVING ENERGY
12 STORAGE.—Section 7701(e) is amended—

13 (1) in paragraph (3)—

14 (A) in subparagraph (A)(i), by inserting
15 “or” at the end of subclause (II), by striking
16 “or” at the end of subclause (III) and inserting
17 “and”, and by striking subclause (IV), and

18 (B) by striking subparagraph (F), and

19 (2) in paragraph (4), by striking “water treat-
20 ment works facility, or storage facility” and insert-
21 ing “or water treatment works facility”.

22 (o) REMOVAL OF INCREASED CREDIT RATE FOR EN-
23 ERGY COMMUNITIES.—Section 48(a) is amended by strik-
24 ing paragraph (14).

1 (p) REGULATIONS.—Section 48(a) is amended by
2 striking paragraph (15).

3 (q) EFFECTIVE DATES.—

4 (1) IN GENERAL.—Except as provided in para-
5 graphs (2) and (3), the amendments made by this
6 section shall apply to property placed in service after
7 December 31, 2021.

8 (2) OTHER PROPERTY.—The amendments
9 made by subsections (f), (g), (h), (i), (j), (l), (n),
10 and (o) shall apply to property placed in service
11 after December 31, 2022.

12 (3) REMOVAL OF RULE FOR PROPERTY FI-
13 NANCED BY TAX EXEMPT BONDS.—The amendment
14 made by subsection (m) shall apply to property the
15 construction of which begins after August 16, 2022.

16 **SEC. 334. REPEAL OF INCREASE IN ENERGY CREDIT FOR**
17 **SOLAR AND WIND FACILITIES PLACED IN**
18 **SERVICE IN CONNECTION WITH LOW-INCOME**
19 **COMMUNITIES.**

20 (a) IN GENERAL.—Section 48 is amended by striking
21 subsection (e).

22 (b) EFFECTIVE DATE.—The amendments made by
23 this section shall take effect on January 1, 2023.

1 **SEC. 335. ZERO-EMISSION NUCLEAR POWER PRODUCTION**

2 **CREDIT REPEALED.**

3 (a) IN GENERAL.—Subpart D of part IV of sub-
4 chapter A of chapter 1 is amended by striking section 45U
5 (and by striking the item relating to such section in the
6 table of sections for such subpart).

7 (b) CONFORMING AMENDMENTS.—Section 38(b) is
8 amended—

9 (1) in paragraph (32), by adding “plus” at the
10 end,

11 (2) in paragraph (33), by striking the comma
12 at the end and inserting a period, and

13 (3) by striking paragraph (34).

14 (c) EFFECTIVE DATE.—The amendments made by
15 this section shall apply to electricity produced and sold
16 after December 31, 2023, in taxable years beginning after
17 such date.

18 **SEC. 336. REPEAL OF SUSTAINABLE AVIATION FUEL CRED-**

19 **IT.**

20 (a) IN GENERAL.—Subpart D of part IV of sub-
21 chapter A of chapter 1 is amended by striking section 40B
22 (and by striking the item relating to such section in the
23 table of sections for such subpart).

24 (b) CONFORMING AMENDMENT.—Section 38(b) is
25 amended by striking paragraph (35).

26 (c) COORDINATION WITH BIODIESEL REMOVED.—

1 (1) IN GENERAL.—Section 40A(d)(1) is amend-
2 ed by striking “or 40B”.

3 (2) CONFORMING AMENDMENT.—Section
4 40A(f) is amended by adding at the end the fol-
5 lowing:

6 “(4) CERTAIN AVIATION FUEL.—

7 “(A) IN GENERAL.—Except as provided in
8 the last 3 sentences of paragraph (3), the term
9 ‘renewable diesel’ shall include fuel derived from
10 biomass which meets the requirements of a De-
11 partment of Defense specification for military
12 jet fuel or an American Society of Testing and
13 Materials specification for aviation turbine fuel.

14 “(B) APPLICATION OF MIXTURE CRED-
15 ITS.—In the case of fuel which is treated as re-
16 newable diesel solely by reason of subparagraph
17 (A), subsection (b)(1) and section 6426(c) shall
18 be applied with respect to such fuel by treating
19 kerosene as though it were diesel fuel.”.

20 (3) SUSTAINABLE AVIATION FUEL CREDIT PRO-
21 VISIONS REMOVED.—Section 6426 is amended by
22 striking subsection (k).

23 (d) CONFORMING AMENDMENTS.—

24 (1) Section 6426 is amended—

1 (A) in subsection (a)(1), by striking “(e),
2 and (k)” and inserting “and (e)”, and

3 (B) in subsection (h), by striking “under
4 section 40, 40A, or 40B” and inserting “under
5 section 40 or 40A”.

6 (2) Section 6427(e) is amended—

7 (A) in the heading, by striking “ALTER-
8 NATIVE FUEL, OR SUSTAINABLE AVIATION
9 FUEL” and inserting “OR ALTERNATIVE
10 FUEL”,

11 (B) in paragraph (1), by striking “or the
12 sustainable aviation fuel mixture credit”, and

13 (C) in paragraph (6)—

14 (i) in subparagraph (C), by adding
15 “and” at the end,

16 (ii) in subparagraph (D), by striking
17 “, and” and inserting a period, and

18 (iii) by striking subparagraph (E).

19 (3) Section 4101(a)(1) is amended by striking
20 “every person producing or importing sustainable
21 aviation fuel (as defined in section 40B),”.

22 (4) Section 87 is amended—

23 (A) in paragraph (1), by adding “and” at
24 the end,

1 (B) in paragraph (2), by striking “, and”
2 and inserting a period, and

3 (C) by striking paragraph (3).

4 (e) EFFECTIVE DATE.—The amendments made by
5 this section shall apply to fuel sold or used after December
6 31, 2022.

7 **SEC. 337. CLEAN HYDROGEN REPEALS.**

8 (a) CREDIT FOR PRODUCTION OF CLEAN HYDROGEN
9 REPEALED.—

10 (1) IN GENERAL.—Subpart D of part IV of
11 subchapter A of chapter 1 is amended by striking
12 section 45V (and by striking the item relating to
13 such section in the table of sections for such sub-
14 part).

15 (2) CONFORMING AMENDMENT.—Section 38(b)
16 is amended by striking paragraph (36).

17 (3) EFFECTIVE DATE.—The amendments made
18 by this section shall apply to hydrogen produced
19 after December 31, 2022.

20 (b) CREDIT FOR ELECTRICITY PRODUCED FROM RE-
21 NEWABLE RESOURCES ALLOWED IF ELECTRICITY IS
22 USED TO PRODUCE CLEAN HYDROGEN.—

23 (1) IN GENERAL.—Section 45(e) is amended by
24 striking paragraph (13).

1 (2) EFFECTIVE DATE.—The amendments made
2 by this subsection shall apply to electricity produced
3 after December 31, 2022.

4 (c) ELECTION TO TREAT CLEAN HYDROGEN PRO-
5 DUCTION FACILITIES AS ENERGY PROPERTY.—

6 (1) IN GENERAL.—Section 48(a) is amended by
7 striking paragraph (15) and by redesignating para-
8 graph (16) as paragraph (15).

9 (2) EFFECTIVE DATE.—The amendments made
10 by this subsection shall apply to property placed in
11 service after December 31, 2022.

12 (d) REINSTATEMENT OF ALTERNATIVE FUEL CRED-
13 IT FOR LIQUEFIED HYDROGEN.—

14 (1) IN GENERAL.—Section 6426(d)(2) is
15 amended by redesignating subparagraphs (D), (E),
16 and (F) as subparagraphs (E), (F), and (G), respec-
17 tively, and by inserting after subparagraph (C) the
18 following:

19 “(D) liquefied hydrogen,”.

20 (2) CONFORMING AMENDMENT.—Section
21 6426(e)(2) is amended by striking “(E)” and insert-
22 ing “(F)”.

23 (3) EFFECTIVE DATE.—The amendments made
24 by this subsection shall apply to fuel sold or used
25 after December 31, 2022.

1 **SEC. 338. NONBUSINESS ENERGY PROPERTY CREDIT.**

2 (a) IN GENERAL.—Section 25C is amended to read
3 as follows:

4 **“SEC. 25C. NONBUSINESS ENERGY PROPERTY.**

5 “(a) ALLOWANCE OF CREDIT.—In the case of an in-
6 dividual, there shall be allowed as a credit against the tax
7 imposed by this chapter for the taxable year an amount
8 equal to the sum of—

9 “(1) 10 percent of the amount paid or incurred
10 by the taxpayer for qualified energy efficiency im-
11 provements installed during such taxable year, and

12 “(2) the amount of the residential energy prop-
13 erty expenditures paid or incurred by the taxpayer
14 during such taxable year.

15 “(b) LIMITATIONS.—

16 “(1) LIFETIME LIMITATION.—The credit al-
17 lowed under this section with respect to any tax-
18 payer for any taxable year shall not exceed the ex-
19 cess (if any) of \$500 over the aggregate credits al-
20 lowed under this section with respect to such tax-
21 payer for all prior taxable years ending after Decem-
22 ber 31, 2005.

23 “(2) WINDOWS.—In the case of amounts paid
24 or incurred for components described in subsection
25 (c)(3)(B) by any taxpayer for any taxable year, the
26 credit allowed under this section with respect to such

1 amounts for such year shall not exceed the excess (if
2 any) of \$200 over the aggregate credits allowed
3 under this section with respect to such amounts for
4 all prior taxable years ending after December 31,
5 2005.

6 “(3) LIMITATION ON RESIDENTIAL ENERGY
7 PROPERTY EXPENDITURES.—The amount of the
8 credit allowed under this section by reason of sub-
9 section (a)(2) shall not exceed—

10 “(A) \$50 for any advanced main air circu-
11 lating fan,

12 “(B) \$150 for any qualified natural gas,
13 propane, or oil furnace or hot water boiler, and

14 “(C) \$300 for any item of energy-efficient
15 building property.

16 “(c) QUALIFIED ENERGY EFFICIENCY IMPROVE-
17 MENTS.—For purposes of this section—

18 “(1) IN GENERAL.—The term ‘qualified energy
19 efficiency improvements’ means any energy efficient
20 building envelope component, if—

21 “(A) such component is installed in or on
22 a dwelling unit located in the United States and
23 owned and used by the taxpayer as the tax-
24 payer’s principal residence (within the meaning
25 of section 121),

1 “(B) the original use of such component
2 commences with the taxpayer, and

3 “(C) such component reasonably can be ex-
4 pected to remain in use for at least 5 years.

5 “(2) ENERGY EFFICIENT BUILDING ENVELOPE
6 COMPONENT.—The term ‘energy efficient building
7 envelope component’ means a building envelope com-
8 ponent which meets—

9 “(A) applicable Energy Star program re-
10 quirements, in the case of a roof or roof prod-
11 ucts,

12 “(B) version 6.0 Energy Star program re-
13 quirements, in the case of an exterior window,
14 a skylight, or an exterior door, and

15 “(C) the prescriptive criteria for such com-
16 ponent established by the 2009 International
17 Energy Conservation Code, as such Code (in-
18 cluding supplements) is in effect on the date of
19 the enactment of the American Recovery and
20 Reinvestment Tax Act of 2009, in the case of
21 any other component.

22 “(3) BUILDING ENVELOPE COMPONENT.—The
23 term ‘building envelope component’ means—

24 “(A) any insulation material or system
25 which is specifically and primarily designed to

1 reduce the heat loss or gain of a dwelling unit
2 when installed in or on such dwelling unit,

3 “(B) exterior windows (including sky-
4 lights),

5 “(C) exterior doors, and

6 “(D) any metal roof or asphalt roof in-
7 stalled on a dwelling unit, but only if such roof
8 has appropriate pigmented coatings or cooling
9 granules which are specifically and primarily
10 designed to reduce the heat gain of such dwell-
11 ing unit.

12 “(4) MANUFACTURED HOMES INCLUDED.—The
13 term ‘dwelling unit’ includes a manufactured home
14 which conforms to Federal Manufactured Home
15 Construction and Safety Standards (part 3280 of
16 title 24, Code of Federal Regulations).

17 “(d) RESIDENTIAL ENERGY PROPERTY EXPENDI-
18 TURES.—For purposes of this section—

19 “(1) IN GENERAL.—The term ‘residential en-
20 ergy property expenditures’ means expenditures
21 made by the taxpayer for qualified energy property
22 which is—

23 “(A) installed on or in connection with a
24 dwelling unit located in the United States and
25 owned and used by the taxpayer as the tax-

1 payer's principal residence (within the meaning
2 of section 121), and

3 “(B) originally placed in service by the tax-
4 payer.

5 Such term includes expenditures for labor costs
6 properly allocable to the onsite preparation, assem-
7 bly, or original installation of the property.

8 “(2) QUALIFIED ENERGY PROPERTY.—

9 “(A) IN GENERAL.—The term ‘qualified
10 energy property’ means—

11 “(i) energy-efficient building property,

12 “(ii) a qualified natural gas, propane,
13 or oil furnace or hot water boiler, or

14 “(iii) an advanced main air circulating
15 fan.

16 “(B) PERFORMANCE AND QUALITY STAND-
17 ARDS.—Property described under subparagraph
18 (A) shall meet the performance and quality
19 standards, and the certification requirements (if
20 any), which—

21 “(i) have been prescribed by the Sec-
22 retary by regulations (after consultation
23 with the Secretary of Energy or the Ad-
24 ministrator of the Environmental Protec-
25 tion Agency, as appropriate), and

1 “(ii) are in effect at the time of the
2 acquisition of the property, or at the time
3 of the completion of the construction, re-
4 construction, or erection of the property,
5 as the case may be.

6 “(C) REQUIREMENTS AND STANDARDS
7 FOR AIR CONDITIONERS AND HEAT PUMPS.—
8 The standards and requirements prescribed by
9 the Secretary under subparagraph (B) with re-
10 spect to the energy efficiency ratio (EER) for
11 central air conditioners and electric heat
12 pumps—

13 “(i) shall require measurements to be
14 based on published data which is tested by
15 manufacturers at 95 degrees Fahrenheit,
16 and

17 “(ii) may be based on the certified
18 data of the Air Conditioning and Refrig-
19 eration Institute that are prepared in part-
20 nership with the Consortium for Energy
21 Efficiency.

22 “(3) ENERGY-EFFICIENT BUILDING PROP-
23 PERTY.—The term ‘energy-efficient building property’
24 means—

1 “(A) an electric heat pump water heater
2 which yields a Uniform Energy Factor of at
3 least 2.2 in the standard Department of Energy
4 test procedure,

5 “(B) an electric heat pump which achieves
6 the highest efficiency tier established by the
7 Consortium for Energy Efficiency, as in effect
8 on January 1, 2009,

9 “(C) a central air conditioner which
10 achieves the highest efficiency tier established
11 by the Consortium for Energy Efficiency, as in
12 effect on January 1, 2009, and

13 “(D) a natural gas, propane, or oil water
14 heater which has either a Uniform Energy Fac-
15 tor of at least 0.82 or a thermal efficiency of
16 at least 90 percent.

17 “(4) QUALIFIED NATURAL GAS, PROPANE, OR
18 OIL FURNACE OR HOT WATER BOILER.—The term
19 ‘qualified natural gas, propane, or oil furnace or hot
20 water boiler’ means a natural gas, propane, or oil
21 furnace or hot water boiler which achieves an annual
22 fuel utilization efficiency rate of not less than 95.

23 “(5) ADVANCED MAIN AIR CIRCULATING FAN.—
24 The term ‘advanced main air circulating fan’ means
25 a fan used in a natural gas, propane, or oil furnace

1 and which has an annual electricity use of no more
2 than 2 percent of the total annual energy use of the
3 furnace (as determined in the standard Department
4 of Energy test procedures).

5 “(e) SPECIAL RULES.—For purposes of this sec-
6 tion—

7 “(1) APPLICATION OF RULES.—Rules similar to
8 the rules under paragraphs (4), (5), (6), (7), and (8)
9 of section 25D(e) shall apply.

10 “(2) JOINT OWNERSHIP OF ENERGY ITEMS.—

11 “(A) IN GENERAL.—Any expenditure oth-
12 erwise qualifying as an expenditure under this
13 section shall not be treated as failing to so
14 qualify merely because such expenditure was
15 made with respect to two or more dwelling
16 units.

17 “(B) LIMITS APPLIED SEPARATELY.—In
18 the case of any expenditure described in sub-
19 paragraph (A), the amount of the credit allow-
20 able under subsection (a) shall (subject to para-
21 graph (1)) be computed separately with respect
22 to the amount of the expenditure made for each
23 dwelling unit.

24 “(3) PROPERTY FINANCED BY SUBSIDIZED EN-
25 ERGY FINANCING.—For purposes of determining the

1 amount of expenditures made by any individual with
2 respect to any property, there shall not be taken into
3 account expenditures which are made from sub-
4 sidized energy financing (as defined in section
5 48(a)(4)(C)).

6 “(f) BASIS ADJUSTMENTS.—For purposes of this
7 subtitle, if a credit is allowed under this section for any
8 expenditure with respect to any property, the increase in
9 the basis of such property which would (but for this sub-
10 section) result from such expenditure shall be reduced by
11 the amount of the credit so allowed.

12 “(g) TERMINATION.—This section shall not apply
13 with respect to any property placed in service—

14 “(1) after December 31, 2007, and before Jan-
15 uary 1, 2009, or

16 “(2) after December 31, 2021.”.

17 (b) CONFORMING AMENDMENTS.—

18 (1) Section 1016(a)(33) is amended by striking
19 “section 25C(g)” and inserting “25C(f)”.

20 (2) Section 6213(g)(2) is amended—

21 (A) by adding “and” at the end of sub-
22 paragraph (P),

23 (B) by striking the comma at the end of
24 subparagraph (Q) and inserting a period, and

25 (C) by striking subparagraphs (R) and (S).

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to property placed in service after
3 December 31, 2021.

4 **SEC. 339. RESIDENTIAL CLEAN ENERGY CREDIT REVERTED**
5 **TO CREDIT FOR RESIDENTIAL ENERGY EFFI-**
6 **CIENT PROPERTY.**

7 (a) EXTENSION REVERSED.—

8 (1) IN GENERAL.—Section 25D(h) is amended
9 by striking “December 31, 2034” and inserting
10 “December 31, 2023”.

11 (2) PHASEOUT RESTORED.—Section 25D(g) is
12 amended—

13 (A) in paragraph (1), by adding “and” at
14 the end,

15 (B) in paragraph (2), by striking “before
16 January 1, 2022, 26 percent,” and inserting
17 “before January 1, 2023, 26 percent, and”,

18 (C) in paragraph (3), by striking “Decem-
19 ber 31, 2021, and before January 1, 2033, 30
20 percent,” and inserting “December 31, 2022,
21 and before January 1, 2024, 22 percent.”, and

22 (D) by striking paragraphs (4) and (5).

23 (b) RESIDENTIAL CLEAN ENERGY CREDIT FOR BAT-
24 TERY STORAGE TECHNOLOGY REMOVED; BIOMASS EX-
25 PENDITURE PROVISIONS RESTORED.—

1 (1) IN GENERAL.—Paragraph (6) of section
2 25D(a) is amended to read as follows:

3 “(6) the qualified biomass fuel property expend-
4 itures,”

5 (2) DEFINITION OF QUALIFIED BIOMASS FUEL
6 PROPERTY EXPENDITURES RESTORED.—Paragraph
7 (6) of section 25D(d) is amended to read as follows:

8 “(6) QUALIFIED BIOMASS FUEL PROPERTY EX-
9 PENDITURE.—

10 “(A) IN GENERAL.—The term ‘qualified
11 biomass fuel property expenditure’ means an
12 expenditure for property—

13 “(i) which uses the burning of bio-
14 mass fuel to heat a dwelling unit located in
15 the United States and used as a residence
16 by the taxpayer, or to heat water for use
17 in such a dwelling unit, and

18 “(ii) which has a thermal efficiency
19 rating of at least 75 percent (measured by
20 the higher heating value of the fuel).

21 “(B) BIOMASS FUEL.—For purposes of
22 this section, the term ‘biomass fuel’ means any
23 plant-derived fuel available on a renewable or
24 recurring basis.”

25 (c) CONFORMING AMENDMENTS.—

1 (1) Section 25D(d)(3) is amended by striking “,
2 without regard to subparagraph (D) thereof”.

3 (2) The heading for section 25D is amended by
4 striking “**CLEAN ENERGY CREDIT**” and inserting
5 “**ENERGY EFFICIENT PROPERTY**”.

6 (3) The table of sections for subpart A of part
7 IV of subchapter A of chapter 1 is amended by
8 striking the item relating to section 25D and insert-
9 ing the following:

“Sec. 25D. Residential energy efficient property.”

10 (d) **EFFECTIVE DATES.**—

11 (1) **IN GENERAL.**—Except as provided in para-
12 graph (2), the amendments made by this section
13 shall apply to expenditures made after December 31,
14 2021.

15 (2) **RESIDENTIAL CLEAN ENERGY CREDIT FOR**
16 **BATTERY STORAGE TECHNOLOGY REMOVED; BIO-**
17 **MASS EXPENDITURE PROVISIONS RESTORED.**—The
18 amendments made by subsection (b) shall apply to
19 expenditures made after December 31, 2022.

20 **SEC. 340. ENERGY EFFICIENT COMMERCIAL BUILDINGS DE-**
21 **DUCTION.**

22 (a) **IN GENERAL.**—

23 (1) **MAXIMUM AMOUNT OF DEDUCTION RULES**
24 **RESTORED.**—Section 179D(b) is amended to read as
25 follows:

1 “(b) MAXIMUM AMOUNT OF DEDUCTION.—The de-
2 duction under subsection (a) with respect to any building
3 for any taxable year shall not exceed the excess (if any)
4 of—

5 “(1) the product of—

6 “(A) \$1.80, and

7 “(B) the square footage of the building,
8 over

9 “(2) the aggregate amount of the deductions
10 under subsection (a) with respect to the building for
11 all prior taxable years.”.

12 (2) MODIFICATION OF EFFICIENCY STAND-
13 ARD.—Section 179D(c)(1)(D) is amended by strik-
14 ing “25 percent” and inserting “50 percent”.

15 (3) REFERENCE STANDARD.—Section
16 179D(c)(2) is amended to read as follows:

17 “(2) REFERENCE STANDARD 90.1.—The term
18 ‘Reference Standard 90.1’ means, with respect to
19 any property, the most recent Standard 90.1 pub-
20 lished by the American Society of Heating, Refrig-
21 erating, and Air Conditioning Engineers and the Il-
22 luminating Engineering Society of North America
23 which has been affirmed by the Secretary, after con-
24 sultation with the Secretary of Energy, for purposes
25 of this section not later than the date that is 2 years

1 before the date that construction of such property
2 begins.”.

3 (4) PARTIAL ALLOWANCE.—

4 (A) IN GENERAL.—Section 179D(d) is
5 amended—

6 (i) by redesignating paragraphs (1)
7 through (5) as paragraphs (2) through (6),
8 respectively, and

9 (ii) by inserting before paragraph (2)
10 the following:

11 “(1) PARTIAL ALLOWANCE.—

12 “(A) IN GENERAL.—Except as provided in
13 subsection (f), if—

14 “(i) the requirement of subsection
15 (c)(1)(D) is not met, but

16 “(ii) there is a certification in accord-
17 ance with paragraph (6) that any system
18 referred to in subsection (c)(1)(C) satisfies
19 the energy-savings targets established by
20 the Secretary under subparagraph (B)
21 with respect to such system,

22 then the requirement of subsection (c)(1)(D)
23 shall be treated as met with respect to such sys-
24 tem, and the deduction under subsection (a)
25 shall be allowed with respect to energy efficient

1 commercial building property installed as part
2 of such system and as part of a plan to meet
3 such targets, except that subsection (b) shall be
4 applied to such property by substituting ‘\$.60’
5 for ‘\$1.80’.

6 “(B) REGULATIONS.—The Secretary, after
7 consultation with the Secretary of Energy, shall
8 establish a target for each system described in
9 subsection (c)(1)(C) such that, if such targets
10 were met for all such systems, the building
11 would meet the requirements of subsection
12 (c)(1)(D).”.

13 (B) CONFORMING AMENDMENTS.—

14 (i) Section 179D(c)(1)(D) is amend-
15 ed—

16 (I) by striking “subsection
17 (d)(5)” and inserting “subsection
18 (d)(6)”, and

19 (II) by striking “subsection
20 (d)(1)” and inserting “subsection
21 (d)(2)”.

22 (ii) Paragraph (3)(A) of section
23 179D(d), as redesignated by subparagraph
24 (A), is amended by striking “paragraph
25 (1)” and inserting “paragraph (2)”.

1 (iii) Paragraph (5) of section
2 179D(d), as redesignated by subparagraph
3 (A), is amended by striking “paragraph
4 (2)(B)(iii)” and inserting “paragraph
5 (3)(B)(iii)”.

6 (iv) Section 179D(h)(2) is amended
7 by inserting “or (d)(1)(A)” after “sub-
8 section (c)(1)(D)”.

9 (5) ALLOCATION OF DEDUCTION FOR PUBLIC
10 PROPERTY.—Paragraph (4) of section 179D(d), as
11 redesignated by paragraph (4)(A), is amended to
12 read as follows:

13 “(4) ALLOCATION OF DEDUCTION FOR PUBLIC
14 PROPERTY.—In the case of energy efficient commer-
15 cial building property installed on or in property
16 owned by a Federal, State, or local government or
17 a political subdivision thereof, the Secretary shall
18 promulgate a regulation to allow the allocation of
19 the deduction to the person primarily responsible for
20 designing the property in lieu of the owner of such
21 property. Such person shall be treated as the tax-
22 payer for purposes of this section.”.

23 (6) ALTERNATIVE DEDUCTION FOR ENERGY EF-
24 FICIENT BUILDING RETROFIT PROPERTY RE-
25 PEALED.—

1 (A) IN GENERAL.—Section 179D is
2 amended by striking subsection (f).

3 (B) RESTORATION OF TEXT RELATING TO
4 INTERIM RULES FOR LIGHTING SYSTEMS.—Sec-
5 tion 179D is amended by inserting after sub-
6 section (e) the following:

7 “(f) INTERIM RULES FOR LIGHTING SYSTEMS.—
8 Until such time as the Secretary issues final regulations
9 under subsection (d)(1)(B) with respect to property which
10 is part of a lighting system—

11 “(1) IN GENERAL.—The lighting system target
12 under subsection (d)(1)(A)(ii) shall be a reduction in
13 lighting power density of 25 percent (50 percent in
14 the case of a warehouse) of the minimum require-
15 ments in Table 9.5.1 or Table 9.6.1 (not including
16 additional interior lighting power allowances) of
17 Standard 90.1–2007.

18 “(2) REDUCTION IN DEDUCTION IF REDUCTION
19 LESS THAN 40 PERCENT.—

20 “(A) IN GENERAL.—If, with respect to the
21 lighting system of any building other than a
22 warehouse, the reduction in lighting power den-
23 sity of the lighting system is not at least 40
24 percent, only the applicable percentage of the
25 amount of deduction otherwise allowable under

1 this section with respect to such property shall
2 be allowed.

3 “(B) APPLICABLE PERCENTAGE.—For
4 purposes of subparagraph (A), the applicable
5 percentage is the number of percentage points
6 (not greater than 100) equal to the sum of—

7 “(i) 50, and

8 “(ii) the amount which bears the same
9 ratio to 50 as the excess of the reduction
10 of lighting power density of the lighting
11 system over 25 percentage points bears to
12 15.

13 “(C) EXCEPTIONS.—This subsection shall
14 not apply to any system—

15 “(i) the controls and circuiting of
16 which do not comply fully with the manda-
17 tory and prescriptive requirements of
18 Standard 90.1–2007 and which do not in-
19 clude provision for bilevel switching in all
20 occupancies except hotel and motel guest
21 rooms, store rooms, restrooms, and public
22 lobbies, or

23 “(ii) which does not meet the min-
24 imum requirements for calculated lighting
25 levels as set forth in the Illuminating Engi-

1 neering Society of North America Lighting
2 Handbook, Performance and Application,
3 Ninth Edition, 2000.”.

4 (7) INFLATION ADJUSTMENT.—Section
5 179D(g) is amended—

6 (A) by inserting “or subsection (d)(1)(A)”
7 after “subsection (b)”,

8 (B) by striking “2022” and inserting
9 “2020”, and

10 (C) by striking “calendar year 2021” and
11 inserting “calendar year 2019”.

12 (b) SPECIAL RULE FOR REAL ESTATE INVESTMENT
13 TRUSTS REMOVED.—Section 312(k)(3)(B) is amended to
14 read as follows:

15 “(B) TREATMENT OF AMOUNTS DEDUCT-
16 IBLE UNDER SECTION 179, 179B, 179C, 179D, OR
17 179E.—For purposes of computing the earnings
18 and profits of a corporation, any amount de-
19 ductible under section 179, 179B, 179C, 179D,
20 or 179E shall be allowed as a deduction ratably
21 over the period of 5 taxable years (beginning
22 with the taxable year for which such amount is
23 deductible under section 179, 179B, 179C,
24 179D, or 179E, as the case may be).”.

1 (c) CONFORMING AMENDMENT.—Paragraph (2) of
2 section 179D(d), as redesignated by subsection (a)(4)(A),
3 is amended by striking “not later than the date that is
4 4 years before the date such property is placed in service”
5 and inserting “not later than the date that is 2 years be-
6 fore the date that construction of such property begins”.

7 (d) EFFECTIVE DATES.—The amendments made by
8 this section shall apply to taxable years beginning after
9 December 31, 2022.

10 **SEC. 341. MODIFICATIONS TO NEW ENERGY EFFICIENT**
11 **HOME CREDIT.**

12 (a) EXTENSION REVERSED.—Section 45L(h) is
13 amended by striking “December 31, 2032” and inserting
14 “December 31, 2021”.

15 (b) DECREASE IN CREDIT AMOUNTS.—Paragraph
16 (2) of section 45L(a) is amended to read as follows:

17 “(2) APPLICABLE AMOUNT.—For purposes of
18 paragraph (1), the applicable amount is an amount
19 equal to—

20 “(A) in the case of a dwelling unit de-
21 scribed in paragraph (1) or (2) of subsection
22 (c), \$2,000, and

23 “(B) in the case of a dwelling unit de-
24 scribed in paragraph (3) of subsection (c),
25 \$1,000.”.

1 (c) REVERSAL OF MODIFICATION OF ENERGY SAV-
2 ING REQUIREMENTS.—Section 45L(c) is amended to read
3 as follows:

4 “(c) ENERGY SAVING REQUIREMENTS.—A dwelling
5 unit meets the energy saving requirements of this sub-
6 section if such unit is—

7 “(1) certified—

8 “(A) to have a level of annual heating and
9 cooling energy consumption which is at least 50
10 percent below the annual level of heating and
11 cooling energy consumption of a comparable
12 dwelling unit—

13 “(i) which is constructed in accord-
14 ance with the standards of chapter 4 of the
15 2006 International Energy Conservation
16 Code, as such Code (including supple-
17 ments) is in effect on January 1, 2006,
18 and

19 “(ii) for which the heating and cooling
20 equipment efficiencies correspond to the
21 minimum allowed under the regulations es-
22 tablished by the Department of Energy
23 pursuant to the National Appliance Energy
24 Conservation Act of 1987 and in effect at
25 the time of completion of construction, and

1 “(B) to have building envelope component
2 improvements account for at least $\frac{1}{5}$ of such
3 50 percent,

4 “(2) a manufactured home which conforms to
5 Federal Manufactured Home Construction and Safe-
6 ty Standards (part 3280 of title 24, Code of Federal
7 Regulations) and which meets the requirements of
8 paragraph (1), or

9 “(3) a manufactured home which conforms to
10 Federal Manufactured Home Construction and Safe-
11 ty Standards (part 3280 of title 24, Code of Federal
12 Regulations) and which—

13 “(A) meets the requirements of paragraph
14 (1) applied by substituting ‘30 percent’ for ‘50
15 percent’ both places it appears therein and by
16 substituting ‘ $\frac{1}{3}$ ’ for ‘ $\frac{1}{5}$ ’ in subparagraph (B)
17 thereof, or

18 “(B) meets the requirements established
19 by the Administrator of the Environmental Pro-
20 tection Agency under the Energy Star Labeled
21 Homes program.”.

22 (d) PREVAILING WAGE REQUIREMENT REMOVED.—
23 Section 45L is amended by striking subsection (g) and
24 redesignating subsection (h) as subsection (g).

1 (e) BASIS ADJUSTMENT.—Section 45L(e) is amended
2 by striking “This subsection shall not apply for purposes
3 of determining the adjusted basis of any building under
4 section 42”.

5 (f) EFFECTIVE DATES.—The amendments made by
6 this section shall apply to dwelling units acquired after
7 December 31, 2021.

8 **SEC. 342. CLEAN VEHICLE CREDIT.**

9 (a) PER VEHICLE DOLLAR LIMITATION.—Section
10 30D(b) is amended by striking paragraphs (2) and (3) and
11 inserting the following:

12 “(2) BASE AMOUNT.—The amount determined
13 under this paragraph is \$2,500.

14 “(3) BATTERY CAPACITY.—In the case of a ve-
15 hicle which draws propulsion energy from a battery
16 with not less than 5 kilowatt hours of capacity, the
17 amount determined under this paragraph is \$417,
18 plus \$417 for each kilowatt hour of capacity in ex-
19 cess of 5 kilowatt hours. The amount determined
20 under this paragraph shall not exceed \$5,000.”.

21 (b) FINAL ASSEMBLY.—Section 30D(d) is amend-
22 ed—

23 (1) in paragraph (1)—

24 (A) in subparagraph (E), by adding “and”
25 at the end,

1 (B) in subparagraph (F)(ii), by striking
2 the comma at the end and inserting a period,
3 and

4 (C) by striking subparagraph (G), and
5 (2) by striking paragraph (5).

6 (c) DEFINITION.—

7 (1) IN GENERAL.—Section 30D(d), as amended
8 by subsection (b), is amended—

9 (A) in the heading, by striking “CLEAN”
10 and inserting “QUALIFIED PLUG-IN ELECTRIC
11 DRIVE MOTOR”,

12 (B) in paragraph (1)—

13 (i) in the matter preceding subpara-
14 graph (A), by striking “clean” and insert-
15 ing “qualified plug-in electric drive motor”,

16 (ii) in subparagraph (C), by striking
17 “qualified” before “manufacturer”,

18 (iii) in subparagraph (F)(i), by strik-
19 ing “7” and inserting “4”, and

20 (iv) by striking subparagraph (H),

21 (C) in paragraph (3)—

22 (i) in the heading, by striking “QUALI-
23 FIED MANUFACTURER” and inserting
24 “MANUFACTURER”, and

1 (ii) by striking “The term ‘qualified
2 manufacturer’ means” and all that follows
3 through the period and inserting “The
4 term ‘manufacturer’ has the meaning given
5 such term in regulations prescribed by the
6 Administrator of the Environmental Pro-
7 tection Agency for purposes of the admin-
8 istration of title II of the Clean Air Act
9 (42 U.S.C. 7521 et seq.).”, and
10 (D) by striking paragraph (6).

11 (2) CONFORMING AMENDMENTS.—Section 30D
12 is amended—

13 (A) in subsection (a), by striking “new
14 clean vehicle” and inserting “new qualified
15 plug-in electric drive motor vehicle”, and

16 (B) in subsection (b)(1), by striking “new
17 clean vehicle” and inserting “new qualified
18 plug-in electric drive motor vehicle”.

19 (d) CRITICAL MINERAL REQUIREMENTS RE-
20 MOVED.—Section 30D is amended by striking subsection
21 (e).

22 (e) LIMITATION ON NUMBER OF VEHICLES ELIGIBLE
23 FOR CREDIT RESTORED.—

24 (1) IN GENERAL.—Section 30D is amended by
25 inserting after subsection (d) the following:

1 “(e) LIMITATION ON NUMBER OF NEW QUALIFIED
2 PLUG-IN ELECTRIC DRIVE MOTOR VEHICLES ELIGIBLE
3 FOR CREDIT.—

4 “(1) IN GENERAL.—In the case of a new quali-
5 fied plug-in electric drive motor vehicle sold during
6 the phaseout period, only the applicable percentage
7 of the credit otherwise allowable under subsection
8 (a) shall be allowed.

9 “(2) PHASEOUT PERIOD.—For purposes of this
10 subsection, the phaseout period is the period begin-
11 ning with the second calendar quarter following the
12 calendar quarter which includes the first date on
13 which the number of new qualified plug-in electric
14 drive motor vehicles manufactured by the manufac-
15 turer of the vehicle referred to in paragraph (1) sold
16 for use in the United States after December 31,
17 2009, is at least 200,000.

18 “(3) APPLICABLE PERCENTAGE.—For purposes
19 of paragraph (1), the applicable percentage is—

20 “(A) 50 percent for the first 2 calendar
21 quarters of the phaseout period,

22 “(B) 25 percent for the 3rd and 4th cal-
23 endar quarters of the phaseout period, and (C)

24 “(C) 0 percent for each calendar quarter
25 thereafter.

1 “(4) CONTROLLED GROUPS.—Rules similar to
2 the rules of section 30B(f)(4) shall apply for pur-
3 poses of this subsection.”.

4 (2) EXCLUDED ENTITIES.—Section 30D(d), as
5 amended by Public Law 117–169, is amended by
6 striking paragraph (7).

7 (f) SPECIAL RULES REPEALED.—Section 30D(f) is
8 amended by striking paragraphs (8), (9), (10), and (11).

9 (g) TRANSFER OF CREDIT REPEALED.—

10 (1) IN GENERAL.—Section 30D is amended by
11 striking subsection (g).

12 (2) RESTORATION OF TEXT RELATING TO
13 PLUG-IN ELECTRIC VEHICLES.—Section 30D is
14 amended by inserting after subsection (f) the fol-
15 lowing:

16 “(g) CREDIT ALLOWED FOR 2- AND 3-WHEELED
17 PLUG-IN ELECTRIC VEHICLES.—

18 “(1) IN GENERAL.—In the case of a qualified
19 2- or 3-wheeled plug-in electric vehicle—

20 “(A) there shall be allowed as a credit
21 against the tax imposed by this chapter for the
22 taxable year an amount equal to the sum of the
23 applicable amount with respect to each such
24 qualified 2- or 3-wheeled plug-in electric vehicle

1 placed in service by the taxpayer during the
2 taxable year, and

3 “(B) the amount of the credit allowed
4 under subparagraph (A) shall be treated as a
5 credit allowed under subsection (a).

6 “(2) APPLICABLE AMOUNT.—For purposes of
7 paragraph (1), the applicable amount is an amount
8 equal to the lesser of—

9 “(A) 10 percent of the cost of the qualified
10 2- or 3-wheeled plug-in electric vehicle, or

11 “(B) \$2,500.

12 “(3) QUALIFIED 2- OR 3-WHEELED PLUG-IN
13 ELECTRIC VEHICLE.—The term ‘qualified 2- or 3-
14 wheeled plug-in electric vehicle’ means any vehicle
15 which—

16 “(A) has 2 or 3 wheels,

17 “(B) meets the requirements of subpara-
18 graphs (A), (B), (C), (E), and (F) of subsection
19 (d)(1) (determined by substituting ‘2.5 kilowatt
20 hours’ for ‘4 kilowatt hours’ in subparagraph
21 (F)(i)),

22 “(C) is manufactured primarily for use on
23 public streets, roads, and highways,

24 “(D) is capable of achieving a speed of 45
25 miles per hour or greater, and

1 “(E) is acquired—

2 “(i) after December 31, 2011, and be-
3 fore January 1, 2014, or

4 “(ii) in the case of a vehicle that has
5 2 wheels, after December 31, 2014, and
6 before January 1, 2022.”.

7 (3) CONFORMING AMENDMENTS REVERSED.—
8 Section 30D(f), as amended by Public Law 117–
9 169, is amended—

10 (A) by inserting after paragraph (2) the
11 following:

12 “(3) PROPERTY USED BY TAX-EXEMPT ENTITY.—
13 In the case of a vehicle the use of which is described in
14 paragraph (3) or (4) of section 50(b) and which is not
15 subject to a lease, the person who sold such vehicle to the
16 person or entity using such vehicle shall be treated as the
17 taxpayer that placed such vehicle in service, but only if
18 such person clearly discloses to such person or entity in
19 a document the amount of any credit allowable under sub-
20 section (a) with respect to such vehicle (determined with-
21 out regard to subsection (c)). For purposes of subsection
22 (c), property to which this paragraph applies shall be
23 treated as of a character subject to an allowance for depre-
24 ciation.”, and

1 (B) in paragraph (8), by striking “, includ-
2 ing any vehicle with respect to which the tax-
3 payer elects the application of subsection (g)”.

4 (h) **TERMINATION REPEALED.**—Section 30D is
5 amended by striking subsection (h).

6 (i) **ADDITIONAL CONFORMING AMENDMENTS.**—

7 (1) The heading of section 30D is amended by
8 striking “**CLEAN VEHICLE CREDIT**” and inserting
9 “**NEW QUALIFIED PLUG-IN ELECTRIC DRIVE**
10 **MOTOR VEHICLES**”.

11 (2) Section 30B is amended—

12 (A) in subsection (h)(8) by inserting “, ex-
13 cept that no benefit shall be recaptured if such
14 property ceases to be eligible for such credit by
15 reason of conversion to a qualified plug-in elec-
16 tric drive motor vehicle”, before the period at
17 the end, and

18 (B) by inserting after subsection (h) the
19 following subsection:

20 “(i) **PLUG-IN CONVERSION CREDIT.**—

21 “(1) **IN GENERAL.**—For purposes of subsection
22 (a), the plug-in conversion credit determined under
23 this subsection with respect to any motor vehicle
24 which is converted to a qualified plug-in electric
25 drive motor vehicle is 10 percent of so much of the

1 cost of the converting such vehicle as does not ex-
2 ceed \$40,000.

3 “(2) QUALIFIED PLUG-IN ELECTRIC DRIVE
4 MOTOR VEHICLE.—For purposes of this subsection,
5 the term ‘qualified plug-in electric drive motor vehi-
6 cle’ means any new qualified plug-in electric drive
7 motor vehicle (as defined in section 30D, determined
8 without regard to whether such vehicle is made by
9 a manufacturer or whether the original use of such
10 vehicle commences with the taxpayer).

11 “(3) CREDIT ALLOWED IN ADDITION TO OTHER
12 CREDITS.—The credit allowed under this subsection
13 shall be allowed with respect to a motor vehicle not-
14 withstanding whether a credit has been allowed with
15 respect to such motor vehicle under this section
16 (other than this subsection) in any preceding taxable
17 year.

18 “(4) TERMINATION.—This subsection shall not
19 apply to conversions made after December 31,
20 2011.”.

21 (3) Section 38(b)(30) is amended by striking
22 “clean” and inserting “qualified plug-in electric
23 drive motor”.

24 (4) Section 6213(g)(2) is amended by striking
25 subparagraph (T).

1 (5) Section 6501(m) is amended by striking
2 “30D(f)(6)” and inserting “30D(e)(4)”.

3 (6) The table of sections for subpart B of part
4 IV of subchapter A of chapter 1 is amended by
5 striking the item relating to section 30D and insert-
6 ing after the item relating to section 30C the fol-
7 lowing item:

 “Sec. 30D. New qualified plug-in electric drive motor vehicles.”.

8 (j) GROSS UP REPEALED.—Section 13401 of Public
9 Law 117–169 is amended by striking subsection (j).

10 (k) TRANSITION RULE REPEALED.—Section 13401
11 of Public Law 117–169 is amended by striking subsection
12 (l).

13 (l) EFFECTIVE DATES.—

14 (1) IN GENERAL.—Except as provided in para-
15 graphs (2), (3), (4), and (5), the amendments made
16 by this section shall apply to vehicles placed in serv-
17 ice after December 31, 2022.

18 (2) FINAL ASSEMBLY.—The amendments made
19 by subsection (b) shall apply to vehicles sold after
20 August 16, 2022.

21 (3) MANUFACTURER LIMITATION.—The amend-
22 ment made by subsections (d) and (e) shall apply to
23 vehicles sold after December 31, 2022.

1 (4) TRANSFER OF CREDIT.—The amendments
2 made by subsection (g) shall apply to vehicles placed
3 in service after December 31, 2023.

4 (5) TRANSITION RULE.—The amendment made
5 by subsection (k) shall take effect as if included in
6 Public Law 117–169.

7 **SEC. 343. REPEAL OF CREDIT FOR PREVIOUSLY-OWNED**
8 **CLEAN VEHICLES.**

9 (a) IN GENERAL.—Subpart A of part IV of sub-
10 chapter A of chapter 1 is amended by striking section 25E
11 (and by striking the item relating to such section in the
12 table of sections for such subpart).

13 (b) CONFORMING AMENDMENT.—Section 6213(g)(2)
14 is amended by striking subparagraph (U).

15 (c) EFFECTIVE DATE.—The amendments made by
16 this section shall apply to vehicles acquired after Decem-
17 ber 31, 2022.

18 **SEC. 344. REPEAL OF CREDIT FOR QUALIFIED COMMER-**
19 **CIAL CLEAN VEHICLES.**

20 (a) IN GENERAL.—Subpart D of part IV of sub-
21 chapter A of chapter 1 is amended by striking section 45W
22 (and by striking the item relating to such section in the
23 table of sections for such subpart).

24 (b) CONFORMING AMENDMENTS.—

1 (1) Section 38(b) is amended by striking para-
2 graph (37).

3 (2) Section 6213(g)(2) is amended by striking
4 subparagraph (V).

5 (c) EFFECTIVE DATE.—The amendments made by
6 this section shall apply to vehicles acquired after Decem-
7 ber 31, 2022.

8 **SEC. 345. ALTERNATIVE FUEL REFUELING PROPERTY**
9 **CREDIT.**

10 (a) IN GENERAL.—Section 30C(i) is amended by
11 striking “December 31, 2032” and inserting “December
12 31, 2021”.

13 (b) PROPERTY OF A CHARACTER SUBJECT TO DE-
14 PRECIATION.—

15 (1) IN GENERAL.—Section 30C(a) is amended
16 by striking “(6 percent in the case of property of a
17 character subject to depreciation)”.

18 (2) MODIFICATION OF CREDIT LIMITATION.—
19 Subsection (b) of section 30C is amended—

20 (A) in the matter preceding paragraph

21 (1)—

22 (i) by striking “with respect to any
23 single item of” and inserting “with respect
24 to all”, and

1 (ii) by inserting “at a location” before
2 “shall not exceed”, and

3 (B) in paragraph (1), by striking
4 “\$100,000 in the case of any such item of prop-
5 erty” and inserting “\$30,000 in the case of a
6 property”.

7 (3) BIDIRECTIONAL CHARGING EQUIPMENT NOT
8 INCLUDED; ELIGIBLE CENSUS TRACT REQUIREMENT
9 REMOVED.—Section 30C(c) is amended to read as
10 follows:

11 “(c) QUALIFIED ALTERNATIVE FUEL VEHICLE RE-
12 FUELING PROPERTY.—For purposes of this section, the
13 term ‘qualified alternative fuel vehicle refueling property’
14 has the same meaning as the term ‘qualified clean-fuel ve-
15 hicle refueling property’ would have under section 179A
16 if—

17 “(1) paragraph (1) of section 179A(d) did not
18 apply to property installed on property which is used
19 as the principal residence (within the meaning of
20 section 121) of the taxpayer, and

21 “(2) only the following were treated as clean-
22 burning fuels for purposes of section 179A(d):

23 “(A) Any fuel at least 85 percent of the
24 volume of which consists of one or more of the
25 following: ethanol, natural gas, compressed nat-

1 ural gas, liquified natural gas, liquefied petro-
2 leum gas, or hydrogen.

3 “(B) Any mixture—

4 “(i) which consists of two or more of
5 the following: biodiesel (as defined in sec-
6 tion 40A(d)(1)), diesel fuel (as defined in
7 section 4083(a)(3)), or kerosene, and

8 “(ii) at least 20 percent of the volume
9 of which consists of biodiesel (as so de-
10 fined) determined without regard to any
11 kerosene in such mixture.

12 “(C) Electricity.”.

13 (c) CERTAIN ELECTRIC CHARGING STATIONS NOT
14 INCLUDED AS QUALIFIED ALTERNATIVE FUEL VEHICLE
15 REFUELING PROPERTY; WAGE AND APPRENTICESHIP
16 REQUIREMENTS REMOVED.—Section 30C is amended by
17 striking subsections (f) and (g) and redesignating sub-
18 sections (h) and (i) as subsections (f) and (g), respectively.

19 (d) EFFECTIVE DATE.—The amendments made by
20 this section shall apply to property placed in service after
21 December 31, 2021.

1 **SEC. 346. ADVANCED ENERGY PROJECT CREDIT EXTEN-**
2 **SION REVERSED.**

3 (a) IN GENERAL.—Section 48C is amended by strik-
4 ing subsection (e) and redesignating subsection (f) as sub-
5 section (e).

6 (b) MODIFICATION OF QUALIFYING ADVANCED EN-
7 ERGY PROJECTS.—Section 48C(c)(1)(A) is amended—

8 (1) by striking “, any portion of the qualified
9 investment of which is certified by the Secretary
10 under subsection (e) as eligible for a credit under
11 this section”,

12 (2) in clause (i)—

13 (A) by striking “an industrial or manufac-
14 turing facility for the production or recycling
15 of” and inserting “a manufacturing facility for
16 the production of”,

17 (B) in subclause (I), by striking “water”,

18 (C) in subclause (II), by striking “energy
19 storage systems and components” and inserting
20 “an energy storage system for use with electric
21 or hybrid-electric motor vehicles”,

22 (D) in subclause (III), by striking “grid
23 modernization equipment or components” and
24 inserting “grids to support the transmission of
25 intermittent sources of renewable energy, in-
26 cluding storage of such energy”,

1 (E) in subclause (IV), by striking “, re-
2 move, use, or sequester carbon oxide emissions”
3 and inserting “and sequester carbon dioxide
4 emissions”,

5 (F) by striking subclause (V) and inserting
6 the following:

7 “(V) property designed to refine
8 or blend renewable fuels or to produce
9 energy conservation technologies (in-
10 cluding energy-conserving lighting
11 technologies and smart grid tech-
12 nologies),”,

13 (G) by striking subclauses (VI), (VII), and
14 (VIII),

15 (H) by inserting after subclause (V) the
16 following:

17 “(VI) new qualified plug-in elec-
18 tric drive motor vehicles (as defined
19 by section 30D) or components which
20 are designed specifically for use with
21 such vehicles, including electric mo-
22 tors, generators, and power control
23 units, or”, and

1 (I) by redesignating subclause (IX) as sub-
2 clause (VII), and inserting “, and” at the end
3 of such subclause, and

4 (3) by striking clauses (ii) and (iii) and insert-
5 ing the following:

6 “(ii) any portion of the qualified in-
7 vestment of which is certified by the Sec-
8 retary under subsection (d) as eligible for
9 a credit under this section.”.

10 (c) CONFORMING AMENDMENT.—Subparagraph (A)
11 of section 48C(e)(2) is amended to read as follows:

12 “(A) which is necessary for the production
13 of property described in paragraph (1)(A)(i),”.

14 (d) DENIAL OF DOUBLE BENEFIT.—Section 48C(e),
15 as redesignated by this section, is amended by striking
16 “48B, 48E, 45Q, or 45V” and inserting “or 48B”.

17 (e) EFFECTIVE DATE.—The amendments made by
18 this section shall take effect on January 1, 2023.

19 **SEC. 347. REPEAL OF ADVANCED MANUFACTURING PRO-**
20 **DUCTION CREDIT.**

21 (a) IN GENERAL.—Subpart D of part IV of sub-
22 chapter A of chapter 1 is amended by striking section 45X
23 (and by striking the item relating to such section in the
24 table of sections for such subpart).

1 (b) CONFORMING AMENDMENT.—Section 38(b) is
2 amended by striking paragraph (38).

3 (c) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to components produced and sold
5 after December 31, 2022.

6 **SEC. 348. REPEAL OF CLEAN ELECTRICITY PRODUCTION**
7 **CREDIT.**

8 (a) IN GENERAL.—Subpart D of part IV of sub-
9 chapter A of chapter 1 is amended by striking section 45Y
10 (and by striking the item relating to such section in the
11 table of sections for such subpart).

12 (b) CONFORMING AMENDMENT.—Section 38(b) is
13 amended by striking paragraph (39).

14 (c) EFFECTIVE DATE.—The amendments made by
15 this section shall apply to facilities placed in service after
16 December 31, 2024.

17 **SEC. 349. REPEAL OF CLEAN ELECTRICITY INVESTMENT**
18 **CREDIT.**

19 (a) IN GENERAL.—Subpart E of part IV of sub-
20 chapter A of chapter 1 is amended by striking section 48E
21 (and by striking the item relating to such section in the
22 table of sections for such subpart).

23 (b) CONFORMING AMENDMENTS.—

24 (1) Section 46, as amended by Public Law
25 117–169, is amended—

1 (A) in paragraph (5), by adding “and” at
2 the end,

3 (B) in paragraph (6), by striking “, and”
4 and inserting a period, and

5 (C) by striking paragraph (7).

6 (2) Section 49(a)(1)(C), as amended by Public
7 Law 117–169, is amended—

8 (A) by adding “and” at the end of clause
9 (v),

10 (B) by striking the comma at the end of
11 clause (vi) and inserting a period, and

12 (C) by striking clauses (vii) and (viii).

13 (3) Section 50(a)(2)(E), as amended by Public
14 Law 117–169, is amended by striking “48D(b)(5),
15 or 48E(e)” and inserting “or 48D(b)(5)”.

16 (4) Section 50(c)(3), as amended by Public
17 Law 117–169, is amended by striking “or clean elec-
18 tricity investment credit”.

19 (c) EFFECTIVE DATE.—The amendments made by
20 this section shall apply to facilities and property placed
21 in service after December 31, 2024.

1 **SEC. 350. COST RECOVERY FOR QUALIFIED FACILITIES,**
2 **QUALIFIED PROPERTY, AND ENERGY STOR-**
3 **AGE TECHNOLOGY REMOVED.**

4 (a) IN GENERAL.—Section 168(e)(3)(B), as amended
5 by Public Law 117–169, is amended—

6 (1) in clause (vi)(III), by adding “and” at the
7 end,

8 (2) in clause (vii), by striking “, and,” at the
9 end and inserting a period, and

10 (3) by striking clause (viii).

11 (b) EFFECTIVE DATE.—The amendments made by
12 this section shall apply to facilities and property placed
13 in service after December 31, 2024.

14 **SEC. 351. REPEAL OF CLEAN FUEL PRODUCTION CREDIT.**

15 (a) IN GENERAL.—Subpart D of part IV of sub-
16 chapter A of chapter 1 is amended by striking section 45Z
17 (and by striking the item relating to such section in the
18 table of sections for such subpart).

19 (b) CONFORMING AMENDMENTS.—

20 (1) Section 30C(e)(1)(B), as amended by Public
21 Law 117–169, is amended by striking clause (iv).

22 (2) Section 38(b), as amended by Public Law
23 117–169, is amended by striking paragraph (40).

24 (3) Section 4101(a)(1), as amended by Public
25 Law 117–169, is amended by striking “every person

1 producing a fuel eligible for the clean fuel production
2 credit (pursuant to section 45Z),”.

3 (c) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to transportation fuel produced
5 after December 31, 2024.

6 **SEC. 352. REPEAL OF SECTIONS RELATING TO ELECTIVE**
7 **PAYMENT FOR ENERGY PROPERTY AND**
8 **ELECTRICITY PRODUCED FROM CERTAIN RE-**
9 **NEWABLE RESOURCES; TRANSFER OF CRED-**
10 **ITS.**

11 (a) IN GENERAL.—Subchapter B of chapter 65 is
12 amended by striking sections 6417 and 6418 (and by
13 striking the items relating to such sections in the table
14 of sections for such subchapter).

15 (b) CONFORMING AMENDMENTS.—

16 (1) Section 50(d) is amended by striking “In
17 the case of a real estate investment trust making an
18 election under section 6418, paragraphs (1)(B) and
19 (2)(B) of the section 46(e) referred to in paragraph
20 (1) of this subsection shall not apply to any invest-
21 ment credit property of such real estate investment
22 trust to which such election applies”.

23 (2) Section 39(a) is amended by striking para-
24 graph (4).

1 (3) Section 13801 of Public Law 117–169 is
2 amended by striking subsection (f).

3 (c) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to taxable years beginning after
5 December 31, 2022.

6 **SEC. 353. TRANSITION RULE.**

7 In the case of a taxpayer who entered into a binding
8 written contract or made other concrete investment action
9 after August 26, 2022, and before April 19, 2023, to en-
10 gage in an activity for which a credit would otherwise be
11 available if not for the application of sections 339 and 244
12 of this Act, such sections shall not apply.

