

**AMENDMENT TO H.R. 3746**  
**OFFERED BY MR. PERRY OF PENNSYLVANIA**

At the end of division B, add the following:

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

4 **SEC. 221. 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. 222. 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. 223. 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. 224. 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. 225. 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. 226. 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. 227. 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. 228. 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. 229. 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. 230. 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. 231. 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. 232. 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. 233. 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. 234. 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. 235. 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. 236. 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. 237. 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. 238. 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. 239. 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. 240. 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. 241. 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. 242. 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. 243. 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 229 and 244  
12 of this Act, such sections shall not apply.

