

116TH CONGRESS  
1ST SESSION

# H. R. 1479

To amend the Internal Revenue Code of 1986 to include biomass heating appliances for tax credits available for energy-efficient building property and energy property.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 28, 2019

Mr. WELCH (for himself, Mr. KELLY of Pennsylvania, Ms. KUSTER of New Hampshire, and Ms. PINGREE) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to include biomass heating appliances for tax credits available for energy-efficient building property and energy property.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Biomass Thermal Uti-  
5 lization Act of 2019” or the “BTU Act of 2019”.

1 **SEC. 2. RESIDENTIAL ENERGY-EFFICIENT PROPERTY**  
 2 **CREDIT FOR BIOMASS FUEL PROPERTY EX-**  
 3 **PENDITURES.**

4 (a) ALLOWANCE OF CREDIT.—Section 25D(a) of the  
 5 Internal Revenue Code of 1986 is amended—

6 (1) in paragraph (4), by striking “and” at the  
 7 end;

8 (2) in paragraph (5), by adding “and” at the  
 9 end; and

10 (3) by inserting after paragraph (5) the fol-  
 11 lowing:

12 “(6) the qualified biomass fuel property expend-  
 13 itures,”.

14 (b) QUALIFIED BIOMASS FUEL PROPERTY EXPENDI-  
 15 TURES.—Section 25D(d) of such Code is amended by add-  
 16 ing at the end the following new paragraph:

17 “(6) QUALIFIED BIOMASS FUEL PROPERTY EX-  
 18 PENDITURE.—

19 “(A) IN GENERAL.—The term ‘qualified  
 20 biomass fuel property expenditure’ means an  
 21 expenditure for property—

22 “(i) which uses the burning of bio-  
 23 mass fuel to heat a dwelling unit located in  
 24 the United States and used as a residence  
 25 by the taxpayer, or to heat water for use  
 26 in such a dwelling unit, and

1 “(ii) which has a thermal efficiency  
 2 rating of at least 75 percent (measured by  
 3 the higher heating value of the fuel).

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

12 (c) APPLICABLE PERCENTAGE.—Subsection (g) of  
 13 section 25D of such Code is amended—

14 (1) by redesignating paragraphs (1), (2), and  
 15 (3) as subparagraphs (A), (B), and (C), respectively,  
 16 and by moving such subparagraphs (as so redesign-  
 17 ated) 2 ems to the right;

18 (2) by striking “For purposes of” and inserting  
 19 the following:

20 “(1) IN GENERAL.—Except as provided under  
 21 paragraph (2), for purposes of”; and

22 (3) by adding at the end the following:

23 “(2) APPLICABLE PERCENTAGE FOR QUALIFIED  
 24 BIOMASS FUEL PROPERTY EXPENDITURES.—In the  
 25 case of any qualified biomass fuel property expendi-

1       tures made by the taxpayer during the taxable year,  
 2       the applicable percentage shall be 30 percent.”.

3       (d) TERMINATION.—Subsection (h) of section 25D of  
 4 such Code is amended to read as follows:

5       “(h) TERMINATION.—

6               “(1) IN GENERAL.—Except as provided under  
 7 paragraph (2), the credit allowed under this section  
 8 shall not apply to property placed in service after  
 9 December 31, 2021.

10              “(2) APPLICATION TO QUALIFIED BIOMASS  
 11 FUEL PROPERTY.—In the case of property described  
 12 in subsection (d)(6), the credit allowed under this  
 13 section shall not apply to property placed in service  
 14 after December 31, 2023.”.

15       (e) EFFECTIVE DATE.—The amendments made by  
 16 this section shall apply to expenditures paid or incurred  
 17 in taxable years beginning after December 31, 2018.

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

20       (a) IN GENERAL.—Section 48(a)(3)(A) of the Inter-  
 21 nal Revenue Code of 1986 is amended—

22              (1) by striking “or” at the end of clause (vi);

23              (2) by adding “or” at the end of clause (vii);

24       and

(3) and by inserting after clause (vii) the following new clause:

“(viii) open-loop biomass (within the meaning of section 45(c)(3)) heating property, including boilers or furnaces that operate at thermal output efficiencies of not less than 65 percent (measured by the higher heating value of the fuel) and that provide thermal energy in the form of heat, hot water, or steam for space heating, air conditioning, domestic hot water, or industrial process heat,”.

(b) 30 PERCENT AND 15 PERCENT CREDITS.—

(1) ENERGY PERCENTAGE.—

(A) IN GENERAL.—Section 48(a)(2)(A) of such Code is amended—

(i) by striking “and” at the end of clause (i)(IV);

(ii) by redesignating clause (ii) as clause (iii); and

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

“(ii) in the case of energy property described in paragraph (3)(A)(viii) the construction of which begins before Janu-

1           ary 1, 2024, 15 percent (30 percent in the  
2           case of any such property which operates  
3           at a thermal output efficiency of not less  
4           than 80 percent (measured by the higher  
5           heating value of the fuel)), and”.

6           (B) CONFORMING AMENDMENT.—Section  
7           48(a)(2)(A)(iii) of such Code, as so redesign-  
8           nated, is amended by inserting “or (ii)” after  
9           “clause (i)”.

10          (c) EFFECTIVE DATE.—The amendments made by  
11          this section shall apply to periods after December 31,  
12          2018, in taxable years ending after such date, under rules  
13          similar to the rules of section 48(m) of the Internal Rev-  
14          enue Code of 1986 (as in effect on the day before the date  
15          of the enactment of the Revenue Reconciliation Act of  
16          1990).

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