

113TH CONGRESS
2D SESSION

H. R. 5002

To amend the Internal Revenue Code of 1986 to modify and extend the credit for nonbusiness energy property.

IN THE HOUSE OF REPRESENTATIVES

JUNE 26, 2014

Mr. GERLACH (for himself and Mr. KIND) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to modify and extend the credit for nonbusiness 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 “Home Energy Savings
5 Act of 2014”.

6 **SEC. 2. MODIFICATION AND EXTENSION OF CREDIT FOR**
7 **NONBUSINESS ENERGY PROPERTY.**

8 (a) CREDIT MADE PERMANENT.—Section 25C of the
9 Internal Revenue Code of 1986 is amended by striking
10 subsection (g).

1 (b) MODIFICATION TO LIMITATIONS.—Subsection (b)
2 of section 25C of the Internal Revenue Code of 1986 is
3 amended—

4 (1) by striking “\$500” in paragraph (1) and in-
5 serting “\$1,000”, and

6 (2) by striking paragraph (2) and redesignating
7 paragraph (3) as paragraph (2).

8 (c) LABOR COSTS INCLUDED IN CREDIT.—Para-
9 graph (1) of section 25C(c) of the Internal Revenue Code
10 of 1986 is amended by adding at the end the following
11 flush sentence:

12 “Such term includes expenditures for labor costs
13 properly allocable to the onsite preparation, assem-
14 bly, or original installation of the component.”.

15 (d) ROOFS.—Section 25C(c) of the Internal Revenue
16 Code of 1986 is amended—

17 (1) in paragraph (1), by striking “a metal roof
18 with appropriate pigmented coatings, or an asphalt
19 roof with appropriate cooling granules,” and insert-
20 ing “or a roofing product”, and

21 (2) in paragraph (2)(D), by striking “any metal
22 roof or asphalt roof installed on a dwelling unit, but
23 only if such roof has appropriate pigmented coatings
24 or cooling granules which are” and inserting “any

1 roofing product installed on a dwelling unit, but only
2 if such roofing product is”.

3 (e) MODIFICATIONS TO RESIDENTIAL ENERGY PROP-
4 erty EXPENDITURES.—

5 (1) QUALIFIED NATURAL GAS, PROPANE, OR
6 OIL FURNACES OR HOT WATER BOILERS.—Para-
7 graph (4) of section 25C(d) of the Internal Revenue
8 Code of 1986 is amended to read as follows:

9 “(4) QUALIFIED NATURAL GAS, PROPANE, OR
10 OIL FURNACE OR HOT WATER BOILER.—The term
11 ‘qualified natural gas, propane, or oil furnace or hot
12 water boiler’ means—

13 “(A) a natural gas or propane furnace
14 which achieves an annual fuel utilization effi-
15 ciency rate of not less than 95,

16 “(B) a natural gas or propane hot water
17 boiler which achieves an annual fuel utilization
18 efficiency rate of not less than 90,

19 “(C) an oil furnace or hot water boiler
20 which—

21 “(i) achieves an annual fuel utilization
22 efficiency rate of not less than 86, and

23 “(ii)(I) in the case of a hot water boil-
24 er, is installed with temperature reset or

1 thermal purge controls and an indirect
2 water heater, and

3 “(II) in the case of a furnace, is in-
4 stalled with an electronically commutated
5 blower motor.”.

6 (2) WATER HEATERS.—

7 (A) IN GENERAL.—Paragraph (3) of sec-
8 tion 25C(d) of the Internal Revenue Code of
9 1986 is amended—

10 (i) by striking “electric heat pump
11 water heater” in subparagraph (A) and in-
12 serting “integrated heat pump water heat-
13 er”,

14 (ii) by striking “a natural gas, pro-
15 pane, or oil water heater” in subparagraph
16 (D) and inserting “an oil water heater”,
17 and

18 (iii) by redesignating subparagraph
19 (E) as subparagraph (G) and inserting
20 after subparagraph (D) the following new
21 subparagraphs:

22 “(E) a natural gas or propane storage
23 water heater with an energy factor of at least
24 0.67 or a thermal efficiency of at least 90 per-
25 cent,

1 “(F) a natural gas or propane tankless
2 water heater with an energy factor of at least
3 0.82 or a thermal efficiency of at least 90 per-
4 cent, and”.

5 (B) LIMITATION.—Paragraph (2) of sec-
6 tion 25C(b) of such Code, as redesignated by
7 subsection (b), is amended by striking subpara-
8 graphs (A) through (C) and inserting the fol-
9 lowing:

10 “(A) \$1,000 in the case of—

11 “(i) any water heater described in
12 subsection (d)(3)(A),

13 “(ii) any natural gas storage water
14 heater described in subsection (d)(3)(E)
15 which—

16 “(I) has an energy factor of 0.80
17 or higher, or

18 “(II) has a thermal efficiency of
19 at least 90 percent, and

20 “(iii) any natural gas tankless water
21 heater described in subsection (d)(3)(F)
22 which—

23 “(I) has an energy factor of 0.90
24 or higher, or

1 “(II) has a thermal efficiency of
2 at least 90 percent, and

3 “(B) \$500 in the case of—

4 “(i) any natural gas storage water
5 heater described in subsection (d)(3)(E)
6 which has an energy factor which is at
7 least 0.67 and less than 0.80, and

8 “(ii) any natural gas tankless water
9 heater described in subsection (d)(3)(F)
10 which has an energy factor which is at
11 least 0.82 and less than 0.90.”.

12 (f) DOCUMENTATION REQUIREMENT.—Subsection
13 (e) of section 25C of the Internal Revenue Code of 1986
14 is amended by adding at the end the following new para-
15 graph:

16 “(4) DOCUMENTATION.—

17 “(A) IN GENERAL.—No credit shall be al-
18 lowed under subsection (a) for any amount paid
19 or incurred for a qualified energy efficiency im-
20 provement or for any residential energy prop-
21 erty expenditure unless the taxpayer includes on
22 the return of tax for the taxable year the
23 verifiable product identification number with re-
24 spect to—

1 “(i) in the case of a qualified energy
2 efficiency improvement, the component in-
3 stalled in or on the taxpayer’s dwelling
4 unit, and

5 “(ii) in the case of a residential en-
6 ergy property expenditure, the qualified en-
7 ergy property.

8 “(B) VERIFIABLE PRODUCT IDENTIFICA-
9 TION NUMBER.—For purposes of this para-
10 graph, the term ‘verifiable product identifica-
11 tion number’ means—

12 “(i) in the case of any insulation ma-
13 terial or system described in subsection
14 (c)(2)(A)—

15 “(I) if such material or system is
16 installed by a contractor, a signed and
17 dated statement from the contractor
18 describing the insulation installed, in-
19 cluding the thickness, coverage area,
20 R-value, and such other information
21 required by the Secretary, in consulta-
22 tion with the Chairman of the Federal
23 Trade Commission, and

24 “(II) in any other case, such in-
25 formation about the material or sys-

1 tem installed as the Secretary may re-
2 quire,

3 “(ii) in the case of any exterior door,
4 exterior window, or skylight, the National
5 Fenestration Rating Council certified prod-
6 uct detail number or such other identifica-
7 tion number determined by the Secretary,

8 “(iii) in the case of any roof described
9 in subsection (c)(2)(C), the Cool Roof Rat-
10 ing Council rated roofing product identi-
11 fication number or such other identifica-
12 tion number determined by the Secretary,
13 and

14 “(iv) in the case of any qualified en-
15 ergy property, the Air-Conditioning Heat-
16 ing and Refrigeration Institute certified
17 reference number or such other identifica-
18 tion number used for heating, air condi-
19 tioning, ventilation, or water heating
20 equipment as determined by the Sec-
21 retary.”.

22 (g) EFFECTIVE DATES.—

23 (1) IN GENERAL.—Except as provided by para-
24 graph (2), the amendments made by this section

1 shall apply to property placed in service after De-
2 cember 31, 2013.

3 (2) PERMANENT EXTENSION.—The amendment
4 made by subsection (a) shall apply to property
5 placed in service after December 31, 2013.

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