

113TH CONGRESS
2D SESSION

S. 2739

To amend the Internal Revenue Code of 1986 to make qualified biogas property eligible for the energy credit and to permit new clean renewable energy bonds to finance qualified biogas property.

IN THE SENATE OF THE UNITED STATES

JULY 31, 2014

Mr. SCHUMER introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to make qualified biogas property eligible for the energy credit and to permit new clean renewable energy bonds to finance qualified biogas 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 “Biogas Investment Tax
5 Credit Act of 2014”.

6 **SEC. 2. INCENTIVES FOR QUALIFIED BIOGAS PROPERTY.**

7 (a) INCENTIVES FOR QUALIFIED BIOGAS PROPERTY

8 MADE ELIGIBLE FOR THE ENERGY CREDIT.—

1 (1) IN GENERAL.—Subparagraph (A) of section
2 48(a)(3) of the Internal Revenue Code of 1986 is
3 amended by striking “or” at the end of clause (vi),
4 by inserting “or” at the end of clause (vii), and by
5 adding at the end the following new clause:

6 “(viii) qualified biogas property,”.

7 (2) QUALIFIED BIOGAS PROPERTY.—Subsection
8 (c) of section 48 of such Code is amended by adding
9 at the end the following new paragraph:

10 “(5) QUALIFIED BIOGAS PROPERTY.—

11 “(A) IN GENERAL.—The term ‘qualified
12 biogas property’ means property comprising a
13 system which—

14 “(i) uses anaerobic digesters or other
15 biological, chemical, thermal, or mechanical
16 processes (alone or in combination) to con-
17 vert biomass (as defined in section
18 45K(c)(3)) into a gas which consists of not
19 less than 52 percent methane, and

20 “(ii) captures such gas for use as a
21 fuel.

22 “(B) INCLUSION OF CERTAIN CLEANING
23 AND CONDITIONING EQUIPMENT.—Such term
24 shall include any property which cleans and

1 conditions the gas referred to in subparagraph
2 (A) for use as a fuel.

3 “(C) TERMINATION.—No credit shall be
4 determined under this section with respect to
5 any qualified biogas property for any period
6 after December 31, 2019.”.

7 (3) QUALIFIED BIOGAS PROPERTY MADE ELIGI-
8 BLE FOR 30 PERCENT CREDIT.—Clause (i) of section
9 48(a)(2)(A) of such Code is amended by striking
10 “and” at the end of subclause (III) and by adding
11 at the end the following new subclause:

12 “(V) qualified biogas property,
13 and”.

14 (4) DENIAL OF DOUBLE BENEFIT.—Subsection
15 (e) of section 45 of such Code is amended by adding
16 at the end the following new paragraph:

17 “(12) COORDINATION WITH ENERGY CREDIT
18 FOR QUALIFIED BIOGAS PROPERTY.—The term
19 ‘qualified facility’ shall not include any facility which
20 produces electricity from gas produced by qualified
21 biogas property (as defined in section 48(c)(5)) if a
22 credit is determined under section 48 with respect to
23 such property for the taxable year or any prior tax-
24 able year.”.

1 (5) EFFECTIVE DATE.—The amendments made
2 by this subsection shall apply to periods after De-
3 cember 31, 2013, in taxable years ending after such
4 date, under rules similar to the rules of section
5 48(m) of the Internal Revenue Code of 1986 (as in
6 effect on the day before the date of the enactment
7 of the Revenue Reconciliation Act of 1990).

8 (b) QUALIFIED BIOGAS PROPERTY MADE ELIGIBLE
9 FOR FINANCING WITH NEW CLEAN RENEWABLE ENERGY
10 BONDS.—

11 (1) IN GENERAL.—Paragraph (1) of section
12 54C(d) of the Internal Revenue Code of 1986 is
13 amended by inserting “, or a qualified biogas prop-
14 erty (as defined in section 48(c)(5)),” before “owned
15 by”.

16 (2) EFFECTIVE DATE.—The amendment made
17 by this subsection shall apply to obligations issued
18 after the date of the enactment of this Act.

19 (c) STUDY OF BIOGAS.—The Secretary of the Treas-
20 ury shall enter into an agreement with the National Re-
21 newable Energy Laboratory to undertake a study of
22 biogas. Such agreement shall provide for a written report
23 to be submitted to Congress not later than 2 years after
24 the date of the enactment of this Act. Such report shall
25 address the following issues:

1 (1) The quality of biogas, including a compari-
2 son of biogas to natural gas and the identification
3 of any components of biogas which make it unsuit-
4 able for injection into existing natural gas pipelines.

5 (2) Methods for obtaining the highest energy
6 content in biogas, including the use of co-digestion
7 and identifying the optimal feed mixture.

8 (3) Recommendations for the expansion of
9 biogas production, including an analysis of the ex-
10 tent to which increasing the methane content of
11 biogas would result in its greater use and an anal-
12 ysis of how the expanded use of biogas could help
13 meet the growing energy needs of the United States.

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