

113TH CONGRESS  
1ST SESSION

# H. R. 2715

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

JULY 17, 2013

Mr. MICHAUD (for himself and Mr. WELCH) 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 2013” or the “BTU Act of 2013”.

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

4 (a) ALLOWANCE OF CREDIT.—Subsection (a) of sec-  
5 tion 25D of the Internal Revenue Code of 1986 is amend-  
6 ed—

7 (1) by striking “and” at the end of paragraph  
8 (4),

9 (2) by striking the period at the end of para-  
10 graph (5) and inserting “, and”, and

11 (3) by adding at the end the following new  
12 paragraph:

13 “(6) 30 percent of the qualified biomass fuel  
14 property expenditures made by the taxpayer during  
15 such year.”.

16 (b) QUALIFIED BIOMASS FUEL PROPERTY EXPENDI-  
17 TURES.—Subsection (d) of section 25D of the Internal  
18 Revenue Code of 1986 is amended by adding at the end  
19 the following new paragraph:

20 “(6) QUALIFIED BIOMASS FUEL PROPERTY EX-  
21 PENDITURE.—

22 “(A) IN GENERAL.—The term ‘qualified  
23 biomass fuel property expenditure’ means an  
24 expenditure for property—

25 “(i) which uses the burning of bio-  
26 mass fuel to heat a dwelling unit located in

1 the United States and used as a residence  
2 by the taxpayer, or to heat water for use  
3 in such a dwelling unit, and

4 “(ii) which has a thermal efficiency  
5 rating of at least 75 percent (measured by  
6 the higher heating value of the fuel).

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

15 (c) EFFECTIVE DATE.—The amendments made by  
16 this section shall apply to expenditures paid or incurred  
17 in taxable years beginning after December 31, 2013.

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

20 (a) IN GENERAL.—Subparagraph (A) of section  
21 48(a)(3) is amended by striking “or” at the end of clause  
22 (vi), by inserting “or” at the end of clause (vii), and by  
23 inserting after clause (vii) the following new clause:

24 “(viii) open-loop biomass (within the  
25 meaning of section 45(c)(3)) heating prop-

1           erty, including boilers or furnaces which  
2           operate at thermal output efficiencies of  
3           not less than 65 percent (measured by the  
4           higher heating value of the fuel) and which  
5           provide thermal energy in the form of heat,  
6           hot water, or steam for space heating, air  
7           conditioning, domestic hot water, or indus-  
8           trial process heat, but only with respect to  
9           periods ending before January 1, 2017.”.

10       (b) 30 PERCENT AND 15 PERCENT CREDITS.—

11           (1) IN GENERAL.—Subparagraph (A) of section  
12       48(a)(2) is amended—

13           (A) by redesignating clause (ii) as clause  
14       (iii),

15           (B) by inserting after clause (i) the fol-  
16       lowing new clause:

17           “(ii) except as provided in clause  
18       (i)(V), 15 percent in the case of energy  
19       property described in paragraph  
20       (3)(A)(viii), and”, and

21           (C) by inserting “or (ii)” after “clause (i)”  
22       in clause (iii), as so redesignated.

23           (2) INCREASED CREDIT FOR GREATER EFFI-  
24       CIENCY.—Clause (i) of section 48(a)(2)(A) is  
25       amended by striking “and” at the end of subclause

1 (III) and by inserting after subclause (IV) the fol-  
2 lowing new subclause:

3 “(V) energy property described in  
4 paragraph (3)(A)(viii) which operates  
5 at a thermal output efficiency of not  
6 less than 80 percent (measured by the  
7 higher heating value of the fuel),”.

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

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