

115TH CONGRESS  
2D SESSION

# H. R. 5441

To amend the Internal Revenue Code of 1986 to provide for energy opportunity zones.

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IN THE HOUSE OF REPRESENTATIVES

APRIL 9, 2018

Mr. CARBAJAL 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 provide for energy opportunity zones.

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 “Energy Opportunity  
5 Zones Act of 2018”.

6 **SEC. 2. OPPORTUNITY ZONES.**

7 (a) IN GENERAL.—Chapter 1 of the Internal Rev-  
8 enue Code of 1986 is amended by adding at the end the  
9 following:

1     **“Subchapter Z—Energy Opportunity Zones**

2     **“SEC. 1400Z-1. ENERGY OPPORTUNITY ZONES.**

3             “(a) PRODUCTION TAX CREDIT.—In the case of a  
4 qualified facility located within an energy opportunity  
5 zone, section 45 shall be administered as if—

6                     “(1) subsection (b)(5) did not apply,

7                     “(2) ‘2050’ were substituted for ‘2020’ in sub-  
8 section (d)(1),

9                     “(3) ‘2050’ were substituted for ‘2017’ each  
10 place such term appears in subsection (d)(2)(A),

11                    “(4) ‘2050’ were substituted for ‘2017’ each  
12 place such term appears in subsection (d)(3)(A)(i),

13                    “(5) ‘2050’ were substituted for ‘2017’ in sub-  
14 section (d)(4)(B),

15                    “(6) ‘2050’ were substituted for ‘2017’ in para-  
16 graphs (6) and (7) of subsection (d),

17                    “(7) ‘2050’ were substituted for ‘2017’ each  
18 place such term appears in subsection (d)(9), and

19                    “(8) ‘2050’ were substituted for ‘2017’ in sub-  
20 section (d)(11)(B).

21             “(b) INVESTMENT TAX CREDIT.—In the case of en-  
22 ergy property placed in service within an energy oppor-  
23 tunity zone, section 48 shall be administered as if—

24                     “(1) ‘2050’ were substituted for ‘2022’ in sub-  
25 section (a)(2)(A)(i)(II),

1           “(2) ‘2050’ were substituted for ‘2017’ in  
2 clauses (ii) and (vii) of subsection (a)(3)(A),

3           “(3) ‘2050’ were substituted for ‘2017’ and  
4 ‘2050’ were substituted for ‘2020’ in subsection  
5 (a)(5)(C)(ii),

6           “(4) paragraphs (5)(E) and (6) of subsection  
7 (a) did not apply,

8           “(5) paragraphs (1)(D) and (2)(D) of sub-  
9 section (c) did not apply,

10           “(6) ‘2050’ were substituted for ‘2017’ in sub-  
11 section (c)(3)(A)(iv), and

12           “(7) subsection (c)(4)(C) did not apply.

13           “(c) ENERGY OPPORTUNITY ZONE DEFINED.—For  
14 the purposes of this section, the term ‘energy opportunity  
15 zone’ means a municipality or county that has within its  
16 boundaries a nuclear power plant that ceased operation  
17 during the 10-year period beginning on January 1,  
18 2018.”.

19           (b) CLERICAL AMENDMENT.—The table of sub-  
20 chapters for chapter 1 of such Code is amended by adding  
21 at the end the following new item:

22           “Subchapter Z. Energy opportunity zones”.

23           (c) EFFECTIVE DATE.—The amendments made by  
24 this section shall apply with respect to taxable years begin-  
25 ning after the date of the enactment of this Act.

1 **SEC. 3. ENERGY CREDIT FOR QUALIFIED OFFSHORE WIND**  
2 **FACILITIES.**

3 (a) IN GENERAL.—Section 48 of the Internal Rev-  
4 enue Code of 1986 is amended—

5 (1) in subsection (a)—

6 (A) in paragraph (2)(A)(i)—

7 (i) in subclause (II), by striking  
8 “paragraph (3)(A)(i)” and inserting  
9 “clause (i) or (ix) of paragraph (3)(A)”,

10 (ii) by striking “and” at the end of  
11 subclause (III), and

12 (iii) by adding at the end the fol-  
13 lowing new subclause:

14 “(V) qualified offshore wind  
15 property, and”, and

16 (B) in paragraph (3)(A)—

17 (i) in clause (vi), by striking “or” at  
18 the end,

19 (ii) by adding at the end the following  
20 new clause:

21 “(viii) qualified offshore wind prop-  
22 erty, but only with respect to property the  
23 construction of which begins before Janu-  
24 ary 1, 2026, or

25 “(ix) equipment which receives, stores,  
26 and delivers energy using batteries, com-

1           pressed air, pumped hydropower, hydrogen  
2           storage (including hydrolysis), thermal en-  
3           ergy storage, regenerative fuel cells, fly-  
4           wheels, capacitors, superconducting mag-  
5           nets, or other technologies identified by the  
6           Secretary in consultation with the Sec-  
7           retary of Energy, and which has a capacity  
8           of not less than 5 megawatt hours,” and  
9           (2) in subsection (c), by adding at the end the  
10          following new paragraph:

11           “(5) QUALIFIED OFFSHORE WIND PROPERTY.—

12           “(A) IN GENERAL.—The term ‘qualified  
13           offshore wind property’ means an offshore facil-  
14           ity, other than qualified small wind energy  
15           property, that—

16           “(i) uses wind to produce electricity,  
17           and

18           “(ii) is located not farther than 50  
19           miles from the boundary of an energy op-  
20           portunity zone (as defined in section  
21           1400Z-1).

22           “(B) OFFSHORE FACILITY.—The term  
23           ‘offshore facility’ means any facility located in  
24           the inland navigable waters of the United  
25           States, including the Great Lakes, or in the

1 coastal waters of the United States, including  
2 the territorial seas of the United States, the ex-  
3 clusive economic zone of the United States, and  
4 the outer Continental Shelf of the United  
5 States.”.

6 (b) EFFECTIVE DATE.—The amendments made by  
7 this section shall apply to property placed in service after  
8 December 31, 2016.

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