

114TH CONGRESS
1ST SESSION

S. 2391

To amend the Internal Revenue Code of 1986 to permanently extend certain energy tax provisions.

IN THE SENATE OF THE UNITED STATES

DECEMBER 10, 2015

Mr. SANDERS (for himself, Mr. MARKEY, and Mr. MERKLEY) 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 permanently extend certain energy tax provisions.

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; TABLE OF CONTENTS.**

4 (a) **SHORT TITLE.**—This Act may be cited as the
5 “American Clean Energy Investment Act of 2015”.

6 (b) **TABLE OF CONTENTS.**—The table of contents of
7 this Act is as follows:

Sec. 1. Short title; table of contents.

**TITLE I—REDUCING CARBON POLLUTION AND CREATING JOBS
BY TRANSITIONING TO SUSTAINABLE ENERGY SOURCES**

Sec. 101. Permanent extension and modification of credits with respect to facilities producing energy from certain renewable resources.

- Sec. 102. Permanent extension and modification of energy credit.
 Sec. 103. Permanent extension of qualifying advanced energy project credit.
 Sec. 104. Promoting access to renewable energy and energy efficiency for tax-exempt organizations.

TITLE II—SAVING CONSUMERS AND BUSINESSES MONEY BY
 PROMOTING ENERGY EFFICIENCY

- Sec. 201. Permanent extension of energy efficient commercial buildings deduction.
 Sec. 202. Permanent extension of new energy efficient home credit.
 Sec. 203. Permanent extension and refundability of credit for nonbusiness energy property.
 Sec. 204. Permanent extension, modification, and refundability of credit for residential energy efficient property.

TITLE III—HELPING AMERICANS MOVE BEYOND OIL

- Sec. 301. Permanent extension, increase, and refundability of credit for qualified new plug in electric drive motor vehicles.
 Sec. 302. Permanent extension of credit for hybrid medium- and heavy- duty trucks.
 Sec. 303. Extension of second generation biofuel producer credit.
 Sec. 304. Extension of incentives for biodiesel and renewable diesel.
 Sec. 305. Extension of special allowance for second generation biofuel plant property.
 Sec. 306. Extension and modification of the alternative fuel vehicle refueling property credit.
 Sec. 307. Permanent extension of parity of exclusion from income for employer-provided mass transit and parking benefits.

1 **TITLE I—REDUCING CARBON**
 2 **POLLUTION AND CREATING**
 3 **JOBS BY TRANSITIONING TO**
 4 **SUSTAINABLE ENERGY**
 5 **SOURCES**

6 **SEC. 101. PERMANENT EXTENSION AND MODIFICATION OF**
 7 **CREDITS WITH RESPECT TO FACILITIES PRO-**
 8 **DUCING ENERGY FROM CERTAIN RENEW-**
 9 **ABLE RESOURCES.**

10 (a) EXTENSION FOR QUALIFIED FACILITIES OTHER
 11 THAN BIOMASS FACILITIES.—Section 45(d) of the Inter-
 12 nal Revenue Code of 1986 is amended—

1 (1) in paragraph (1), by striking “, and the
2 construction of which begins before January 1,
3 2015”,

4 (2) in paragraph (4), by striking “and which”
5 and all that follows through the period and inserting
6 the following: “and, in the case of a facility using
7 solar energy, which is placed in service before Janu-
8 ary 1, 2006.”,

9 (3) in paragraph (6), by striking “and the con-
10 struction of which begins before January 1, 2015”,

11 (4) in paragraph (7), by striking “and the con-
12 struction of which begins before January 1, 2015”,

13 (5) in paragraph (9)(A)—

14 (A) in clause (i), by striking “and before
15 January 1, 2015”, and

16 (B) in clause (ii), by striking “and the con-
17 struction of which begins before January 1,
18 2015”, and

19 (6) in paragraph (11)(B), by striking “and the
20 construction of which begins before January 1,
21 2015”.

22 (b) EXTENSION OF ELECTION TO TREAT QUALIFIED
23 FACILITIES OTHER THAN BIOMASS FACILITIES AS EN-
24 ERGY PROPERTY.—

1 (1) IN GENERAL.—Clause (ii) of section
 2 48(a)(5)(C) of the Internal Revenue Code of 1986 is
 3 amended by striking “and the construction of which
 4 begins before January 1, 2015”.

5 (2) EXCLUSION OF BIOMASS FACILITIES.—
 6 Clause (i) of section 48(a)(5)(C) is amended by
 7 striking “(2), (3),”.

8 (c) LIMITATION ON CREDIT FOR WIND FACILI-
 9 TIES.—Section 45(b) of the Internal Revenue Code of
 10 1986 is amended by adding at the end the following new
 11 paragraph:

12 “(5) LIMITATION FOR WIND FACILITIES.—

13 “(A) IN GENERAL.—In the case of any
 14 qualified facility described in subsection (d)(1)
 15 the construction of which begins after calendar
 16 year after 2021, subsection (a) shall be applied
 17 by substituting ‘the applicable amount’ for ‘1.5
 18 cents’.

19 “(B) APPLICABLE AMOUNT.—For purposes
 20 of subparagraph (A), the applicable amount
 21 shall be determined as follows:

“In the case of a facility the construction of which begins—	The applica- ble amount is—
in 2022	2.0 cents
in 2023	1.7 cents
in 2024	1.4 cents
after 2024	1.1 cents.

1 “(C) INFLATION ADJUSTMENT.—The ap-
2 plicable amount determined under subpara-
3 graph (B) for any facility shall be adjusted by
4 the inflation adjustment factor for the calendar
5 year in which the sale occurs. If any amount as
6 increased under the preceding sentence is not a
7 multiple of 0.1 cent, such amount shall be
8 rounded to the nearest multiple of 0.1 cent.”.

9 (d) EFFECTIVE DATES.—The amendments made by
10 this section shall take effect on January 1, 2015.

11 **SEC. 102. PERMANENT EXTENSION AND MODIFICATION OF**
12 **ENERGY CREDIT.**

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

15 (1) in subsection (a)—

16 (A) in paragraph (2)(A)(i)(II), by striking
17 “but only with respect to periods ending before
18 January 1, 2017”, and

19 (B) in paragraph (3)(A)—

20 (i) in clause (ii), by striking “but only
21 with respect to periods ending before Janu-
22 ary 1, 2017”, and

23 (ii) in clause (vii), by striking “, but
24 only with respect to periods ending before
25 January 1, 2017”, and

1 (2) in subsection (c)—

2 (A) in paragraph (1), by striking subpara-
3 graph (D),

4 (B) in paragraph (2), by striking subpara-
5 graph (D),

6 (C) in paragraph (3)(A), by inserting
7 “and” at the end of clause (ii), by striking “,
8 and” at the end of clause (iii) and inserting a
9 period, and by striking clause (iv), and

10 (D) in paragraph (4), by striking subpara-
11 graph (C).

12 (b) EXTENSION OF 30-PERCENT INVESTMENT CRED-
13 IT FOR OFFSHORE WIND ENERGY FACILITIES.—

14 (1) IN GENERAL.—

15 (A) IN GENERAL.—Clause (i) of section
16 48(a)(2)(A) of the Internal Revenue Code of
17 1986 is amended by striking “and” at the end
18 of subclause (IV) and by adding at the end the
19 following new subclause:

20 “(V) qualified offshore wind en-
21 ergy property, and”.

22 (B) QUALIFIED OFFSHORE WIND ENERGY
23 PROPERTY DEFINED.—Subsection (c) of section
24 48 of such Code is amended by adding at the
25 end the following new paragraph:

1 “(5) QUALIFIED OFFSHORE WIND ENERGY
2 PROPERTY.—

3 “(A) IN GENERAL.—The term ‘qualified
4 offshore wind energy property’ means property
5 which is part of a qualified offshore wind facil-
6 ity.

7 “(B) QUALIFIED OFFSHORE WIND FACIL-
8 ITY.—For purposes of subparagraph (A), the
9 term ‘qualified offshore wind facility’ means
10 any facility which—

11 “(i) uses wind to generate electricity,
12 and

13 “(ii) is located in—

14 “(I) the inland navigable waters
15 of the Unites States, including the
16 Great Lakes, or

17 “(II) the coastal waters of the
18 United States, including the territorial
19 seas of the United States, the exclu-
20 sive economic zone of the United
21 States, and the outer Continental
22 Shelf of the United States.”.

23 “(C) CONFORMING AMENDMENT.—Subpara-
24 graph (A) of section 48(a)(3) of such Code is
25 amended by striking “or” at the end of clause

1 (vi), by inserting “or” at the end of clause (vii),
2 and by adding at the end the following new
3 clause:

4 “(viii) qualified offshore wind energy
5 property,”.

6 (D) COORDINATION WITH CREDIT FOR
7 OTHER WIND FACILITIES.—Section 48(a)(5)(C)
8 of such Code is amended by adding at the end
9 the following new sentence:

10 “Such term shall not include any facility which
11 is a qualified offshore wind facility (as defined
12 in subsection (c)(5)).”

13 (c) LIMITATION ON CREDIT FOR ONSHORE WIND FA-
14 CILITIES.—Paragraph (5) of section 48(a) of the Internal
15 Revenue Code of 1986 is amended by inserting at the end
16 the following new subparagraph:

17 “(E) LIMITATION FOR ONSHORE WIND FA-
18 CILITIES.—In the case of a qualified investment
19 credit facility described in section 45(d)(1), the
20 credit otherwise determined under the section
21 with respect to qualified property which is part
22 of such facility shall not exceed an amount
23 equal to \$200 for each kilowatt hour of capacity
24 of such facility.”.

1 (d) **EFFECTIVE DATE.**—The amendments made by
2 this section shall apply to periods after December 31,
3 2015, under rules similar to the rules of section 48(m)
4 of the Internal Revenue Code of 1986 (as in effect on the
5 day before the date of the enactment of the Revenue Rec-
6 onciliation Act of 1990).

7 **SEC. 103. PERMANENT EXTENSION OF QUALIFYING AD-**
8 **VANCED ENERGY PROJECT CREDIT.**

9 (a) **IN GENERAL.**—Section 48C(d)(1)(B) of the In-
10 ternal Revenue Code of 1986 is amended—

11 (1) by inserting “in any calendar year” after
12 “allocated under the program”, and

13 (2) by striking “\$2,300,000,000” and inserting
14 “\$1,000,000,000”.

15 (b) **CONFORMING AMENDMENTS.**—

16 (1) Section 48C(d)(2)(A) of such Code is
17 amended by striking “during the 2-year period be-
18 ginning on the date the Secretary establishes the
19 program under paragraph (1)”.

20 (2) Section 48C(d)(4) of such Code is amended
21 by striking subparagraphs (A) and (B) and inserting
22 the following:

23 “(A) **REVIEW.**—Not later than 4 years
24 after the close of any calendar year for which
25 allocations were made under this section, the

1 Secretary shall review the credits allocated
2 under this section for such calendar year.

3 “(B) REDISTRIBUTION.—The Secretary
4 may reallocate credits awarded under this sec-
5 tion for a calendar year if the Secretary deter-
6 mines that any certification made pursuant to
7 paragraph (2) has been revoked pursuant to
8 paragraph (2)(B) because the project subject to
9 the certification has been delayed as a result of
10 third-party opposition or litigation to the pro-
11 posed project.”.

12 (3) Section 48C(d)(4)(C) of such Code is
13 amended by striking “the Secretary is authorized to
14 conduct an additional program for applications for
15 certification” and inserting “notwithstanding para-
16 graph (2)(A), the Secretary is authorized to accept
17 additional applications for certification with respect
18 to such amounts.”.

19 **SEC. 104. PROMOTING ACCESS TO RENEWABLE ENERGY**
20 **AND ENERGY EFFICIENCY FOR TAX-EXEMPT**
21 **ORGANIZATIONS.**

22 (a) IN GENERAL.—Upon application, the Secretary
23 of the Treasury shall, subject to the requirements of this
24 section, provide a grant to each eligible entity who places
25 in service specified energy property to reimburse such per-

1 son for a portion of the expense of such property as pro-
2 vided in subsection (b). No grant shall be made under this
3 section with respect to any property unless such property
4 is placed in service after 2015.

5 (b) GRANT AMOUNT.—

6 (1) IN GENERAL.—The amount of the grant
7 under subsection (a) with respect to any specified
8 energy property shall be the applicable percentage of
9 the basis of such property.

10 (2) APPLICABLE PERCENTAGE.—For purposes
11 of paragraph (1), the term “applicable percentage”
12 means—

13 (A) 30 percent in the case of any property
14 described in paragraphs (1) through (4) of sub-
15 section (d), and

16 (B) 10 percent in the case of any other
17 property.

18 (3) DOLLAR LIMITATIONS.—In the case of
19 property described in paragraph (1), (2), (6), or (7)
20 of subsection (d), the amount of any grant under
21 this section with respect to such property shall not
22 exceed the limitation described in section
23 48(a)(5)(E), 48(c)(1)(B), 48(c)(2)(B), or
24 48(c)(3)(B) of the Internal Revenue Code of 1986,
25 respectively, with respect to such property.

1 (c) TIME FOR PAYMENT OF GRANT.—The Secretary
2 of the Treasury shall make payment of any grant under
3 subsection (a) during the 60-day period beginning on the
4 later of—

5 (1) the date of the application for such grant,
6 or

7 (2) the date the specified energy property for
8 which the grant is being made is placed in service.

9 (d) SPECIFIED ENERGY PROPERTY.—For purposes
10 of this section, the term “specified energy property”
11 means any of the following:

12 (1) QUALIFIED FACILITIES.—Any qualified
13 property (as defined in section 48(a)(5)(D) of the
14 Internal Revenue Code of 1986) which is part of a
15 qualified facility (within the meaning of section 45
16 of such Code) described in paragraph (1), (2), (3),
17 (4), (6), (7), (9), or (11) of section 45(d) of such
18 Code.

19 (2) QUALIFIED FUEL CELL PROPERTY.—Any
20 qualified fuel cell property (as defined in section
21 48(c)(1) of such Code).

22 (3) SOLAR PROPERTY.—Any property described
23 in clause (i) or (ii) of section 48(a)(3)(A) of such
24 Code.

1 (4) QUALIFIED SMALL WIND ENERGY PROP-
2 ERTY.—Any qualified small wind energy property
3 (as defined in section 48(c)(4) of such Code).

4 (5) GEOTHERMAL PROPERTY.—Any property
5 described in clause (iii) of section 48(a)(3)(A) of
6 such Code.

7 (6) QUALIFIED MICROTURBINE PROPERTY.—
8 Any qualified microturbine property (as defined in
9 section 48(c)(2) of such Code).

10 (7) COMBINED HEAT AND POWER SYSTEM
11 PROPERTY.—Any combined heat and power system
12 property (as defined in section 48(c)(3) of such
13 Code).

14 (8) GEOTHERMAL HEAT PUMP PROPERTY.—
15 Any property described in clause (vii) of section
16 48(a)(3)(A) of such Code.

17 Such term shall not include any property unless deprecia-
18 tion (or amortization in lieu of depreciation) is allowable
19 with respect to such property.

20 (e) APPLICATION OF CERTAIN RULES.—In making
21 grants under this section, the Secretary of the Treasury
22 shall apply rules similar to the rules of section 50 of the
23 Internal Revenue Code of 1986 (other than subsection
24 (b)(3) thereof). In applying such rules, if the property is
25 disposed of, or otherwise ceases to be specified energy

1 property, the Secretary of the Treasury shall provide for
2 the recapture of the appropriate percentage of the grant
3 amount in such manner as the Secretary of the Treasury
4 determines appropriate.

5 (f) ELIGIBLE ENTITY.—For purposes of this section,
6 the term “eligible entity” means any organization de-
7 scribed in section 501(c) of the Internal Revenue Code of
8 1986 and exempt from tax under section 501(a) of such
9 Code.

10 (g) DEFINITIONS.—Terms used in this section which
11 are also used in section 45 or 48 of the Internal Revenue
12 Code of 1986 shall have the same meaning for purposes
13 of this section as when used in such section 45 or 48.
14 Any reference in this section to the Secretary of the Treas-
15 ury shall be treated as including the Secretary’s delegate.

16 (h) APPROPRIATIONS.—There is hereby appropriated
17 to the Secretary of the Treasury such sums as may be
18 necessary to carry out this section.

1 **TITLE II—SAVING CONSUMERS**
 2 **AND BUSINESSES MONEY BY**
 3 **PROMOTING ENERGY EFFI-**
 4 **CIENCY**

5 **SEC. 201. PERMANENT EXTENSION OF ENERGY EFFICIENT**
 6 **COMMERCIAL BUILDINGS DEDUCTION.**

7 (a) IN GENERAL.—Section 179D of the Internal Rev-
 8 enue Code of 1986 is amended by striking subsection (h).

9 (b) UPDATE OF STANDARD.—

10 (1) IN GENERAL.—Section 179D of the Inter-
 11 nal Revenue Code of 1986 is amended by striking
 12 “Standard 90.1–2001” each place it appears and in-
 13 serting “the applicable ASHRAE standard”.

14 (2) APPLICABLE ASHRAE STANDARD.—Section
 15 179D(c)(2) of such Code is amended to read as fol-
 16 lows:

17 “(2) APPLICABLE ASHRAE STANDARD.—The
 18 term ‘applicable ASHRAE standard’ means—

19 “(A) Standard 90.1-2013 of the American
 20 Society of Heating, Refrigerating, and Air Con-
 21 ditioning Engineers and the Illuminating Engi-
 22 neering Society of North America, or

23 “(B) in the case of any subsequent stand-
 24 ard adopted by the American Society of Heat-
 25 ing, Refrigerating, and Air Conditioning Engi-

1 neers which supersedes the standard described
 2 in subparagraph (A), such subsequent stand-
 3 ard.”.

4 (c) EFFECTIVE DATE.—The amendments made by
 5 this section shall apply to property placed in service after
 6 December 31, 2014.

7 **SEC. 202. PERMANENT EXTENSION OF NEW ENERGY EFFI-**
 8 **CIENT HOME CREDIT.**

9 (a) IN GENERAL.—Section 45L of the Internal Rev-
 10 enue Code of 1986 is amended by striking subsection (g).

11 (b) UPDATE OF STANDARD.—

12 (1) IN GENERAL.—Section 45L of the Internal
 13 Revenue Code of 1986 is amended by striking “the
 14 standards of chapter 4 of the 2006 International
 15 Energy Conservation Code, as such Code (including
 16 supplements) is in effect on January 1, 2006” each
 17 place it appears and inserting “the applicable stand-
 18 ards”.

19 (2) APPLICABLE STANDARDS.—Section 45L of
 20 such Code, as amended by subsection (a), is amend-
 21 ed by adding at the end the following new sub-
 22 section:

23 “(h) APPLICABLE STANDARDS.—For purposes of this
 24 section, the term ‘applicable standards’ means, with re-
 25 spect to any dwelling unit, the standards in effect for resi-

1 dential building energy efficiency under the International
2 Energy Conservation Code on the first day of the taxable
3 year in which construction for the dwelling unit com-
4 menced.”.

5 (c) EFFECTIVE DATE.—The amendments made by
6 this section shall apply to homes acquired after December
7 31, 2014.

8 **SEC. 203. PERMANENT EXTENSION AND REFUNDABILITY**
9 **OF CREDIT FOR NONBUSINESS ENERGY**
10 **PROPERTY.**

11 (a) PERMANENT EXTENSION.—Section 25C of the
12 Internal Revenue Code of 1986 is amended by striking
13 subsection (g).

14 (b) UPDATE OF STANDARDS.—

15 (1) QUALIFIED ENERGY EFFICIENCY IMPROVE-
16 MENTS.—

17 (A) IN GENERAL.—Section 25C(c)(1) of
18 the Internal Revenue Code of 1986 is amended
19 by striking “the prescriptive criteria for such
20 component established by the 2009 Inter-
21 national Energy Conservation Code, as such
22 Code (including supplements) is in effect on the
23 date of the enactment of the American Recov-
24 ery and Reinvestment Tax Act of 2009” and in-
25 serting “the applicable IECC standards”.

1 (B) APPLICABLE IECC STANDARDS.—Sec-
2 tion 25C(c) of such Code is amended by adding
3 at the end the following new paragraph:

4 “(4) APPLICABLE IECC STANDARDS.—For pur-
5 poses of this section, the term ‘applicable IECC
6 standards’ means, with respect to any building enve-
7 lope component, the prescriptive criteria for such
8 component in effect under the International Energy
9 Conservation Code on the first day of the taxable
10 year for which the credit is allowed.”.

11 (2) ENERGY EFFICIENT PROPERTY.—

12 (A) HEAT PUMPS AND AIR CONDI-
13 TIONERS.—

14 (i) IN GENERAL.—Section 25C(d)(3)
15 of the Internal Revenue Code of 1986 is
16 amended by striking “the Consortium for
17 Energy Efficiency, as in effect on January
18 1, 2009” each place it appears and insert-
19 ing “the applicable CEE standards”.

20 (ii) APPLICABLE CEE STANDARDS.—
21 Section 25C(d) of such Code is amended
22 by adding at the end the following new
23 paragraph:

24 “(7) APPLICABLE CEE STANDARDS.—For pur-
25 poses of this section, the term ‘applicable CEE

1 standards' means, with respect to any property, the
2 standards established by the Consortium for Energy
3 Efficiency that are in effect for such property on the
4 first day of the taxable year for which the credit is
5 allowed.”.

6 (B) OTHER ENERGY EFFICIENT BUILDING
7 PROPERTY.—Paragraph (3) of section 25C(d)
8 of such Code is amended—

9 (i) in subparagraph (A), by inserting
10 “and meets Energy Star program certifi-
11 cation requirements as of the first day of
12 the taxable year in which the property
13 placed in service” after “procedure”,

14 (ii) in subparagraph (C), by inserting
15 “and meets Energy Star program certifi-
16 cation requirements as of the first day of
17 the taxable year in which the property
18 placed in service” after “90 percent”, and

19 (iii) in subparagraph (E)—

20 (I) by striking “and which” and
21 inserting “which”, and

22 (II) by inserting “, and which
23 meets Energy Star program certifi-
24 cation requirements as of the first day
25 of the taxable year in which the prop-

1 erty placed in service” after “75 per-
2 cent”.

3 (C) FURNACES AND HOT WATER BOIL-
4 ERS.—Paragraph (4) of section 25C(d) of such
5 Code is amended by inserting “and meets En-
6 ergy Star program certification requirements as
7 of the first day of the taxable year in which the
8 property placed in service” after “95”.

9 (D) ADVANCED MAIN AIR CIRCULATING
10 FANS.—Paragraph (5) of section 25C(d) of
11 such Code is amended—

12 (i) by striking “and which” and in-
13 serting “, which”, and

14 (ii) by inserting “, and which meets
15 Energy Star program certification require-
16 ments as of the first day of the taxable
17 year in which the property placed in serv-
18 ice” after “test procedures”).

19 (c) CREDIT MADE REFUNDABLE.—

20 (1) CREDIT MOVED TO SUBPART RELATING TO
21 REFUNDABLE CREDITS.—The Internal Revenue
22 Code of 1986 is amended—

23 (A) by redesignating section 25C as section
24 36C, and

1 (B) by moving section 36C (as amended by
2 subsections (a) and (b) and as redesignated by
3 subparagraph (A)) from subpart A of part IV
4 of subchapter A of chapter 1 to the location im-
5 mediately before section 37 in subpart C of part
6 IV of subchapter A of chapter 1.

7 (2) CONFORMING AMENDMENTS.—

8 (A) Section 1016(a)(33) of such Code is
9 amended—

10 (i) by striking “section 25C(f)” and
11 inserting “section 36C(f)”, and

12 (ii) by striking “under section 25C”
13 and inserting “under section 36C”.

14 (B) The table of sections for subpart A of
15 part IV of subchapter A of chapter 1 of such
16 Code is amended by striking the item relating
17 to section 25C.

18 (C) Paragraph (2) of section 1324(b) of
19 title 31, United States Code, is amended by in-
20 serting “36C,” after “36B,”.

21 (D) The table of sections for subpart C of
22 part IV of subchapter A of chapter 1 of the In-
23 ternal Revenue Code of 1986 is amended by in-
24 serting after the item relating to section 36B
25 the following new item:

“36C. Nonbusiness energy property.”.

1 (d) EFFECTIVE DATE.—The amendments made by
 2 this section shall apply to property placed in service after
 3 December 31, 2014.

4 **SEC. 204. PERMANENT EXTENSION, MODIFICATION, AND**
 5 **REFUNDABILITY OF CREDIT FOR RESIDEN-**
 6 **TIAL ENERGY EFFICIENT PROPERTY.**

7 (a) PERMANENT EXTENSION.—Section 25D of the
 8 Internal Revenue Code of 1986 is amended by striking
 9 subsection (g).

10 (b) CREDIT ALLOWED FOR ENERGY STORAGE PROP-
 11 erty.—

12 (1) IN GENERAL.—Section 25D(a) of the Inter-
 13 nal Revenue Code of 1986 is amended by adding at
 14 the end the following new paragraph:

15 “(6) 30 percent of the qualified energy storage
 16 property expenditures made by the taxpayer during
 17 the taxable year.”.

18 (2) QUALIFIED ENERGY STORAGE PROPERTY
 19 EXPENDITURES.—Section 25D(d) of such Code is
 20 amended by adding at the end the following new
 21 paragraph:

22 “(6) QUALIFIED ENERGY STORAGE PROPERTY
 23 EXPENDITURE.—The term ‘qualified energy storage
 24 property expenditure’ means an expenditure for
 25 property—

1 “(A) which is—

2 “(i) located in a dwelling unit located
3 in the United States and used by the tax-
4 payer as a residence,

5 “(ii) directly connected to the elec-
6 trical grid, and

7 “(iii) designed to receive electrical en-
8 ergy, to store such energy, and—

9 “(I) to convert such energy to
10 electricity and deliver such electricity
11 for sale, or

12 “(II) to use such energy to pro-
13 vide improved reliability or economic
14 benefits to the grid, or

15 “(B) which is—

16 “(i) part of a dwelling unit located in
17 the United States which is—

18 “(I) connected to the electrical
19 grid, and

20 “(II) used by the taxpayer as a
21 residence,

22 “(ii) connected to—

23 “(I) qualified solar electric prop-
24 erty, or

1 “(II) qualified small wind energy
2 property, and

3 “(iii) designed to receive electrical en-
4 ergy, store such energy, and to convert
5 such energy to electricity for use by the
6 taxpayer.”.

7 (c) CREDIT ALLOWED FOR BIOMASS FUEL PROP-
8 ERTY.—

9 (1) IN GENERAL.—Section 25D(a) of the Inter-
10 nal Revenue Code of 1986, as amended by sub-
11 section (b), is amended by adding at the end the fol-
12 lowing new paragraph:

13 “(7) 30 percent of the qualified biomass fuel
14 property expenditures made by the taxpayer during
15 the taxable year.”.

16 (2) QUALIFIED ENERGY STORAGE PROPERTY
17 EXPENDITURES.—Section 25D(d) of such Code, as
18 amended by subsection (b), is amended by adding at
19 the end the following new paragraph:

20 “(7) 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—

1 “(i) which uses the burning of bio-
2 mass fuel to heat a dwelling unit located in
3 the United States and used as a residence
4 by the taxpayer, or to heat water for use
5 in such a dwelling unit, and

6 “(ii) which has a thermal efficiency
7 rating of at least 75 percent (measured by
8 the higher heating value of the fuel) and
9 meets Energy Star program certification
10 requirements as of the first day of the tax-
11 able year in which the property placed in
12 service.

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

21 (3) COORDINATION WITH CREDIT FOR NON-
22 BUSINESS ENERGY PROPERTY.—

23 (A) IN GENERAL.—Section 25D(e) of the
24 Internal Revenue Code of 1986 is amended by
25 adding at the following new paragraphs:

1 “(9) NO DOUBLE BENEFIT.—No credit shall be
2 allowed under this section with respect to any prop-
3 erty which is described in subsection (d)(7)(A) and
4 for which a credit is allowed under section 25C.

5 “(10) ELECTION.—A taxpayer may elect not to
6 have this section apply with respect to any expendi-
7 ture described in subsection (a).”.

8 (B) APPLICATION OF ELECTION TO CREDIT
9 FOR NONBUSINESS ENERGY PROPERTY.—Sec-
10 tion 25C(e)(1) is amended by striking “and
11 (8)” and inserting “(8), and (10)”.

12 (d) CREDIT MADE REFUNDABLE.—

13 (1) CREDIT MOVED TO SUBPART RELATING TO
14 REFUNDABLE CREDITS.—The Internal Revenue
15 Code of 1986 is amended—

16 (A) by redesignating section 25D as sec-
17 tion 36D, and

18 (B) by moving section 36D (as amended
19 by subsections (a) and (b) and as redesignated
20 by subparagraph (A)) from subpart A of part
21 IV of subchapter A of chapter 1 to the location
22 immediately before section 37 in subpart C of
23 part IV of subchapter A of chapter 1 (as
24 amended by section 203).

25 (2) CONFORMING AMENDMENTS.—

1 (A) Section 36C(e)(1) of the Internal Rev-
2 enue Code of 1986 (as redesignated by section
3 8) is amended by striking “25D(e)” and insert-
4 ing “36D(e)”.

5 (B) Section 45(d)(1) of such Code is
6 amended by striking “section 25D” and insert-
7 ing “section 36D”.

8 (C) Section 1016(a)(34) of such Code is
9 amended—

10 (i) by striking “section 25D(f)” and
11 inserting “section 36D(f)”, and

12 (ii) by striking “under section 25D”
13 and inserting “under section 36D”.

14 (D) The table of sections for subpart A of
15 part IV of subchapter A of chapter 1 of such
16 Code is amended by striking the item relating
17 to section 25D.

18 (E) Paragraph (2) of section 1324(b) of
19 title 31, United States Code, as amended by
20 this Act, is amended by inserting “36D,” after
21 “36C,”.

22 (F) The table of sections for subpart C of
23 part IV of subchapter A of chapter 1 of the In-
24 ternal Revenue Code of 1986, as amended by

1 this Act, is amended by inserting after the item
2 relating to section 36C the following new item:

“36D. Residential energy efficient property.”.

3 (e) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to property placed in service after
5 the date of the enactment of this Act.

6 **TITLE III—HELPING AMERICANS**
7 **MOVE BEYOND OIL**

8 **SEC. 301. PERMANENT EXTENSION, INCREASE, AND**
9 **REFUNDABILITY OF CREDIT FOR QUALIFIED**
10 **NEW PLUG IN ELECTRIC DRIVE MOTOR VEHI-**
11 **CLES.**

12 (a) REPEAL OF PHASEOUT.—Section 30D of the In-
13 ternal Revenue Code of 1986 is amended by striking sub-
14 section (e).

15 (b) EXTENSION FOR 2- AND 3-WHEELED VEHI-
16 CLES.—Section 30D(g)(3)(E) of the Internal Revenue
17 Code of 1986 is amended by striking “and before January
18 1, 2014”.

19 (c) INCREASE IN DOLLAR LIMITATION FOR BATTERY
20 CAPACITY.—Paragraph (3) of section 30D(b) of the Inter-
21 nal Revenue Code of 1986 is amended by striking
22 “\$5,000” and inserting “\$7,500”.

23 (d) PERSONAL CREDIT MADE REFUNDABLE.—

1 (1) IN GENERAL.—Section 30D(c)(2) of the In-
2 ternal Revenue Code of 1986 is amended by striking
3 “subpart A” and inserting “subpart C”.

4 (2) TECHNICAL AMENDMENT.—Paragraph (2)
5 of section 1324(b) of title 31, United States Code,
6 as amended by this Act, is amended by inserting
7 “30D(c)(2),” after “36D,”.

8 (e) EFFECTIVE DATE.—The amendments made by
9 this section shall apply to vehicles acquired after Decem-
10 ber 31, 2014.

11 **SEC. 302. PERMANENT EXTENSION OF CREDIT FOR HYBRID**
12 **MEDIUM- AND HEAVY- DUTY TRUCKS.**

13 (a) IN GENERAL.—Section 30B(k) of the Internal
14 Revenue Code of 1986 is amended—

15 (1) by striking “after” in the matter before
16 paragraph (1),

17 (2) by inserting “after” before “December”
18 each place it appears, and

19 (3) in paragraph (3), by inserting “and before
20 the date of the enactment of the American Clean
21 Energy Investment Act of 2015,” after “December
22 31, 2009,”.

23 (b) EFFECTIVE DATE.—The amendments made by
24 this section shall apply to property purchased after the
25 date of the enactment of this Act.

1 **SEC. 303. EXTENSION OF SECOND GENERATION BIOFUEL**
2 **PRODUCER CREDIT.**

3 (a) IN GENERAL.—Clause (i) of section 40(b)(6)(J)
4 of the Internal Revenue Code of 1986 is amended by strik-
5 ing “January 1, 2015” and inserting “January 1, 2023”.

6 (b) EFFECTIVE DATE.—The amendment made by
7 this subsection shall apply to qualified second generation
8 biofuel production after December 31, 2014.

9 **SEC. 304. EXTENSION AND REFORM OF BIODIESEL TAX IN-**
10 **CENTIVES.**

11 (a) INCOME TAX CREDIT.—

12 (1) EXTENSION.—

13 (A) CREDITS FOR BIODIESEL AND RENEW-
14 ABLE DIESEL USED AS FUEL.—Subsection (g)
15 of section 40A is amended by striking “Decem-
16 ber 31, 2014” and inserting “December 31,
17 2022”.

18 (B) EFFECTIVE DATE.—The amendment
19 made by this paragraph shall apply to fuel sold
20 or used after December 31, 2014.

21 (2) REFORM OF INCOME TAX CREDIT.—

22 (A) IN GENERAL.—So much of section
23 40A as precedes subsection (c) is amended to
24 read as follows:

1 **“SEC. 40A. BIODIESEL FUELS CREDIT.**

2 “(a) IN GENERAL.—For purposes of section 38, in
3 the case of an eligible taxpayer, the biodiesel fuels credit
4 determined under this section for the taxable year is \$1.00
5 for each gallon of biodiesel produced by the taxpayer which
6 during the taxable year—

7 “(1) is sold by the producer of such biodiesel to
8 another person—

9 “(A) for use by such other person’s trade
10 or business as a fuel or in the production of a
11 biodiesel mixture (other than casual off-farm
12 production), or

13 “(B) who sells such biodiesel at retail to
14 another person and places such biodiesel in the
15 fuel tank of such other person, or

16 “(2) is used by such producer for any purpose
17 described in paragraph (1).

18 “(b) INCREASED CREDIT FOR SMALL PRODUCERS.—

19 “(1) IN GENERAL.—In the case of any eligible
20 small biodiesel producer, subsection (a) shall be ap-
21 plied by increasing the dollar amount contained
22 therein by 10 cents.

23 “(2) LIMITATION.—Paragraph (1) shall only
24 apply with respect to the first 15,000,000 gallons of
25 biodiesel produced by any eligible small biodiesel
26 producer during any taxable year.”.

1 (B) DEFINITIONS AND SPECIAL RULES.—
2 Section 40A(d) is amended by striking all that
3 follows paragraph (1) and inserting the fol-
4 lowing:

5 “(2) ELIGIBLE TAXPAYER.—

6 “(A) IN GENERAL.—The term ‘eligible tax-
7 payer’ means, with respect to any gallon of bio-
8 diesel, the producer of such gallon if such pro-
9 ducer has paid the tax imposed by section 4081
10 on such biodiesel.

11 “(B) SPECIAL RULE FOR ELIGIBLE DIS-
12 CRETIONARY BLENDERS.—For purposes of this
13 section (other than subsection (b)), an eligible
14 discretionary blender shall be treated as the
15 producer of any gallon of biodiesel which is
16 used to make a qualified biodiesel mixture if—

17 “(i) the producer of such biodiesel
18 (determined without regard to this sub-
19 paragraph)—

20 “(I) did not pay the tax imposed
21 under section 4081 with respect to
22 such gallon, and

23 “(II) assigns the credit allowed
24 under this section to the eligible dis-
25 cretionary blender in such form and

1 manner as provided by the Secretary,
2 and

3 “(ii) such eligible discretionary blend-
4 er pays the tax imposed under section
5 4081 with respect to such gallon.

6 For purposes of the preceding sentence, an eli-
7 gible discretionary blender shall be treated as
8 producing a gallon of biodiesel in the taxable
9 year in which the sale or use of the qualified
10 biodiesel mixture occurs.

11 “(C) ELIGIBLE DISCRETIONARY BLEND-
12 ER.—For purposes of subparagraph (B), the
13 term ‘eligible discretionary blender’ means any
14 person who—

15 “(i) is registered under section 4101
16 as a blender of qualified biodiesel mixtures,
17 and

18 “(ii) has used 10,000,000 or more
19 gallons of biodiesel in the production of
20 qualified biodiesel mixtures in the pre-
21 ceding taxable year.

22 “(3) BIODIESEL MIXTURE; QUALIFIED BIO-
23 DIESEL MIXTURE.—

24 “(A) BIODIESEL MIXTURE.—The term
25 ‘biodiesel mixture’ means a mixture consists of

1 biodiesel and diesel fuel (as defined in section
2 4083(a)(3)), determined without regard to any
3 use of kerosene.

4 “(B) QUALIFIED BIODIESEL MIXTURE.—

5 “(i) IN GENERAL.—The term ‘quali-
6 fied biodiesel mixture’ means a biodiesel
7 mixture which is produced by an eligible
8 discretionary blender and—

9 “(I) sold by such eligible discre-
10 tionary blender to any person for use
11 as a fuel, or

12 “(II) used by such eligible discre-
13 tionary blender as a fuel.

14 “(ii) SALE OR USE MUST BE IN
15 TRADE OR BUSINESS, ETC.—A biodiesel
16 mixture shall not be treated as a qualified
17 biodiesel mixture unless the sale or use de-
18 scribed in clause (i) is in a trade or busi-
19 ness of the eligible discretionary blender.

20 “(4) BIODIESEL NOT USED FOR A QUALIFIED
21 PURPOSE.—If—

22 “(A) any credit was determined with re-
23 spect to any biodiesel under this section, and

24 “(B) any person uses such biodiesel for a
25 purpose not described in subsection (a),

1 then there is hereby imposed on such person a tax
 2 equal to the product of the rate applicable under
 3 subsection (a) and the number of gallons of such
 4 biodiesel.

5 “(5) PASS-THRU IN THE CASE OF ESTATES AND
 6 TRUSTS.—Under regulations prescribed by the Sec-
 7 retary, rules similar to the rules of subsection (d) of
 8 section 52 shall apply.

9 “(6) LIMITATION TO BIODIESEL WITH CONNEC-
 10 TION TO THE UNITED STATES.—No credit shall be
 11 determined under subsection (a) with respect to bio-
 12 diesel unless such biodiesel is produced in the United
 13 States. For purposes of this paragraph, the term
 14 ‘United States’ includes any possession of the
 15 United States.”.

16 (C) RULES FOR SMALL BIODIESEL PRO-
 17 DUCERS.—

18 (i) IN GENERAL.—Section 40A(e) is
 19 amended—

20 (I) by striking “agri-biodiesel”
 21 each place it appears in paragraphs
 22 (1) and (5)(A) and inserting “bio-
 23 diesel”,

24 (II) by striking “subsection
 25 (b)(4)(C)” each place it appears in

1 paragraphs (2) and (3) and inserting
2 “subsection (b)(2)”, and

3 (III) by striking “subsection
4 (a)(3)” each place it appears in para-
5 graphs (5)(A), (6)(A)(i), and (6)(B)(i)
6 and inserting “subsection (b)”.

7 (ii) The heading for subsection (e) of
8 section 40A is amended by striking “AGRI-
9 BIODIESEL” and inserting “BIODIESEL”.

10 (iii) The headings for paragraphs (1)
11 and (6) of section 40A(e) are each amend-
12 ed by striking “AGRI-BIODIESEL” and in-
13 sserting “BIODIESEL”.

14 (D) CONFORMING AMENDMENTS RELATED
15 TO RENEWABLE DIESEL.—Section 40A(f) is
16 amended—

17 (i) by striking “Subsection (b)(4)”
18 and inserting “Subsection (b)”, and

19 (ii) by striking paragraph (4) and in-
20 sserting the following:

21 “(4) CERTAIN AVIATION FUEL.—Except as pro-
22 vided in the last 3 sentences of paragraph (2), the
23 term ‘renewable diesel’ shall include fuel derived
24 from biomass which meets the requirements of a De-
25 partment of Defense specification for military jet

1 fuel or an American Society of Testing and Mate-
 2 rials specification for aviation turbine fuel.”.

3 (E) REGISTRATION OF ELIGIBLE DISCRE-
 4 TIONARY BLENDERS.—Section 4101(a)(1) is
 5 amended—

6 (i) by striking “and” before “every
 7 person producing second generation
 8 biofuel”, and

9 (ii) by inserting “, and every person
 10 producing qualified biodiesel mixtures (as
 11 defined in section 40A(d)(3))” after “sec-
 12 tion 40(b)(6)(E)) in excess of 10,000,000
 13 gallons per year”.

14 (F) CLERICAL AMENDMENT.—The table of
 15 sections for subpart D of part IV of subchapter
 16 A of chapter 1 is amended by striking the item
 17 relating to section 40A and inserting the fol-
 18 lowing new item:

“Sec. 40A. Biodiesel fuels credit.”.

19 (G) EFFECTIVE DATE.—The amendments
 20 made by this paragraph shall apply to fuel sold
 21 or used after December 31, 2015.

22 (b) EXCISE TAX INCENTIVES.—

23 (1) EXTENSION.—

1 (A) IN GENERAL.—Paragraph (6) of sec-
2 tion 6426(c) is amended by striking “December
3 31, 2014” and inserting “December 31, 2022”.

4 (B) PAYMENTS.—Subparagraph (B) of
5 section 6427(e)(6) is amended by striking “De-
6 cember 31, 2014” and inserting “December 31,
7 2022”.

8 (C) EFFECTIVE DATE.—The amendments
9 made by this paragraph shall apply to fuel sold
10 or used after December 31, 2014.

11 (D) SPECIAL RULE FOR CERTAIN PERIODS
12 DURING 2015.—Notwithstanding any other pro-
13 vision of law, in the case of any biodiesel mix-
14 ture credit properly determined under section
15 6426(c) of the Internal Revenue Code of 1986
16 for periods after December 31, 2014, and on or
17 before the last day of the first calendar quarter
18 ending after the date of the enactment of this
19 Act, such credit shall be allowed, and any re-
20 fund or payment attributable to such credit (in-
21 cluding any payment under section 6427(e) of
22 such Code) shall be made, only in such manner
23 as the Secretary of the Treasury (or the Sec-
24 retary’s delegate) shall provide. Such Secretary
25 shall issue guidance within 30 days after the

1 date of the enactment of this Act providing for
2 a one-time submission of claims covering peri-
3 ods described in the preceding sentence. Such
4 guidance shall provide for a 180-day period for
5 the submission of such claims (in such manner
6 as prescribed by such Secretary) to begin not
7 later than 30 days after such guidance is
8 issued. Such claims shall be paid by such Sec-
9 retary not later than 60 days after receipt. If
10 such Secretary has not paid pursuant to a claim
11 filed under this subsection within 60 days after
12 the date of the filing of such claim, the claim
13 shall be paid with interest from such date de-
14 termined by using the overpayment rate and
15 method under section 6621 of such Code.

16 (2) REFORM OF EXCISE TAX CREDIT.—

17 (A) IN GENERAL.—Subsection (c) of sec-
18 tion 6426 is amended—

19 (i) by striking all that precedes para-
20 graph (6) and inserting the following:

21 “(c) BIODIESEL PRODUCTION CREDIT.—

22 “(1) IN GENERAL.—For purposes of this sec-
23 tion, in the case of an eligible taxpayer, the biodiesel
24 production credit is \$1.00 for each gallon of bio-
25 diesel produced by the taxpayer and which—

1 “(A) is sold by such producer to another
2 person—

3 “(i) for use by such other person’s
4 trade or business as a fuel or in the pro-
5 duction of a biodiesel mixture (other than
6 casual off-farm production), or

7 “(ii) who sells such biodiesel at retail
8 to another person and places such biodiesel
9 in the fuel tank of such other person, or

10 “(B) is used by such producer for any pur-
11 pose described in subparagraph (A).

12 “(2) SPECIAL RULE FOR ELIGIBLE DISCRE-
13 TIONARY BLENDERS.—For purposes of this sub-
14 section and section 6427(e)(3), an eligible discre-
15 tionary blender shall be treated as the producer of
16 any gallon of biodiesel which is used to make a
17 qualified biodiesel mixture if—

18 “(A) the producer of such biodiesel (deter-
19 mined without regard to this subparagraph)—

20 “(i) did not pay the tax imposed
21 under section 4081 with respect to such
22 gallon, and

23 “(ii) assigns the credit allowed under
24 this section to the eligible discretionary

1 blender in such form and manner as pro-
2 vided by the Secretary, and

3 “(B) such eligible discretionary blender
4 pays the tax imposed under section 4081 with
5 respect to such gallon.

6 For purposes of the preceding sentence, an eligible
7 discretionary blender shall not be treated as pro-
8 ducing a gallon of biodiesel before the date on which
9 the sale or use of the qualified biodiesel mixture oc-
10 curs.

11 “(3) DEFINITIONS.—Any term used in this sub-
12 section which is also used in section 40A shall have
13 the meaning given such term by section 40A.”, and

14 (ii) by redesignating paragraph (6), as
15 amended by paragraph (1)(A), as para-
16 graph (4).

17 (B) PRODUCER REGISTRATION REQUIRE-
18 MENT.—Subsection (a) of section 6426 is
19 amended by striking “subsections (d) and (e)”
20 in the flush sentence at the end and inserting
21 “subsections (c), (d), and (e)”.

22 (C) RECAPTURE.—

23 (i) IN GENERAL.—Subsection (f) of
24 section 6426 is amended—

1 (I) by striking “or biodiesel”
2 each place it appears in subpara-
3 graphs (A) and (B)(i) of paragraph
4 (1),

5 (II) by striking “or biodiesel mix-
6 ture” in paragraph (1)(A), and

7 (III) by redesignating paragraph
8 (2) as paragraph (3) and by inserting
9 after paragraph (1) the following new
10 paragraph:

11 “(2) BIODIESEL.—If any credit was determined
12 under this section or paid pursuant to section
13 6427(e) with respect to the production of any bio-
14 diesel and any person uses such biodiesel for a pur-
15 pose not described in subsection (c)(1), then there is
16 hereby imposed on such person a tax equal to \$1.00
17 for each gallon of such biodiesel.”.

18 (ii) CONFORMING AMENDMENTS.—

19 (I) Paragraph (3) of section
20 6426(f), as redesignated by clause
21 (i)(III), is amended by inserting “or
22 (2)” after “paragraph (1)”.

23 (II) The heading for paragraph
24 (1) of section 6426(f) is amended by

1 striking “IMPOSITION OF TAX” and
 2 inserting “IN GENERAL”.

3 (D) LIMITATION.—Section 6426(i) is
 4 amended—

5 (i) in paragraph (2)—

6 (I) by striking “biodiesel or”, and

7 (II) by striking “BIODIESEL
 8 AND” in the heading, and

9 (ii) by inserting after paragraph (2)
 10 the following new paragraph:

11 “(3) BIODIESEL.—No credit shall be deter-
 12 mined under this section with respect to biodiesel
 13 unless such biodiesel is produced in the United
 14 States.”.

15 (E) CLERICAL AMENDMENTS.—

16 (i) The heading of section 6426 is
 17 amended by striking “**ALCOHOL FUEL,**
 18 **BIODIESEL, AND ALTERNATIVE FUEL**
 19 **MIXTURES**” and inserting “**ALCOHOL**
 20 **FUEL MIXTURES, BIODIESEL PRODUC-**
 21 **TION, AND ALTERNATIVE FUEL MIX-**
 22 **TURES**”.

23 (ii) The item relating to section 6426
 24 in the table of sections for subchapter B of
 25 chapter 65 is amended by striking “alcohol

1 fuel, biodiesel, and alternative fuel mix-
2 tures” and inserting “alcohol fuel mix-
3 tures, biodiesel production, and alternative
4 fuel mixtures”.

5 (F) EFFECTIVE DATE.—The amendments
6 made by this paragraph shall apply to fuel sold
7 or used after December 31, 2015.

8 (3) REFORM OF EXCISE PAYMENTS OF CRED-
9 IT.—

10 (A) IN GENERAL.—Subsection (e) of sec-
11 tion 6427, as amended by paragraph (1)(B), is
12 amended—

13 (i) by striking “or the biodiesel mix-
14 ture credit” in paragraph (1),

15 (ii) by redesignating paragraphs (3)
16 through (6) as paragraphs (4) through (7),
17 respectively, and by inserting after para-
18 graph (2) the following new paragraph:

19 “(3) BIODIESEL PRODUCTION CREDIT.—If any
20 person produces biodiesel and sells or uses such bio-
21 diesel as provided in section 6426(c)(1), the Sec-
22 retary shall pay (without interest) to such person an
23 amount equal to the biodiesel production credit with
24 respect to such biodiesel.”,

1 (iii) by striking “paragraph (1) or
 2 (2)” each place it appears in paragraphs
 3 (4) and (6), as redesignated by paragraph
 4 (2), and inserting “paragraph (1), (2), or
 5 (3)”,

6 (iv) by striking “alternative fuel” each
 7 place it appears in paragraphs (4) and (6),
 8 as redesignated by paragraph (2), and in-
 9 serting “fuel”, and

10 (v) by striking “biodiesel mixture (as
 11 defined in section 6426(c)(3))” in para-
 12 graph (7)(B), as so redesignated, and in-
 13 serting “biodiesel (within the meaning of
 14 section 40A)”.

15 (B) EFFECTIVE DATE.—The amendments
 16 made by this paragraph shall apply to fuel sold
 17 or used after December 31, 2015.

18 (c) TREATMENT OF BIODIESEL AS A TAXABLE
 19 FUEL.—

20 (1) IN GENERAL.—

21 (A) TAXABLE FUEL INCLUDES BIO-
 22 DIESEL.—Paragraph (1) of section 4083(a) is
 23 amended by striking “and” at the end of sub-
 24 paragraph (B), by striking the period at the
 25 end of subparagraph (C) and inserting “, and”,

1 and by adding at the end the following new sub-
2 paragraph:

3 “(D) biodiesel.”.

4 (B) BIODIESEL DEFINED.—Subsection (a)
5 of section 4083 is amended by adding at the
6 end the following new paragraph:

7 “(4) BIODIESEL.—The term ‘biodiesel’ has the
8 meaning given such term under section 40A(d)(1),
9 determined without regard to the last sentence
10 thereof.”.

11 (2) BIODIESEL PRODUCTION FACILITIES
12 TREATED AS REFINERIES.—

13 (A) IN GENERAL.—Subsection (a) of sec-
14 tion 4081 is amended by adding at the end the
15 following new paragraph:

16 “(5) BIODIESEL PRODUCTION FACILITIES AND
17 BLENDING FACILITIES TREATED AS REFINERIES.—

18 For purposes of this part—

19 “(A) any facility which is used to produce
20 biodiesel, and

21 “(B) any biodiesel blending facility,
22 shall be treated as a refinery with respect to bio-
23 diesel.”.

1 (B) BIODIESEL BLENDING FACILITY DE-
 2 FINED.—Section 4083 is amended by adding at
 3 the end the following new subsection:

4 “(e) BIODIESEL BLENDING FACILITY.—For pur-
 5 poses of this subpart, the term ‘biodiesel blending facility’
 6 means any facility that is operated by an eligible discre-
 7 tionary blender (as defined in section 40A(d)(2)(C)).”.

8 (C) BULK TRANSFERS.—Subparagraph
 9 (B) of section 4081(a)(1) is amended by adding
 10 at the end the following new clause:

11 “(iii) SPECIAL RULES FOR BIO-
 12 DIESEL.—The tax imposed by this para-
 13 graph shall not apply to the removal or
 14 entry of biodiesel to any refinery or ter-
 15 minal if the person removing or entering
 16 the biodiesel and the operator of the refin-
 17 ery or terminal are registered under sec-
 18 tion 4101.”.

19 (3) RATE OF TAX.—Subparagraph (A)(iii) of
 20 section 4081(a)(2) is amended by striking “diesel
 21 fuel or kerosene” and inserting “diesel fuel, ker-
 22 osene, or biodiesel”.

23 (4) EXEMPTIONS.—

24 (A) IN GENERAL.—Section 4082 is amend-
 25 ed by striking “diesel fuel and kerosene” each

1 place it appears in subsections (a), (c), and (g)
2 and inserting “diesel fuel, kerosene, and bio-
3 diesel”.

4 (B) CONFORMING AMENDMENT.—Subpara-
5 graph (A) of section 4082(d)(1) is amended by
6 inserting “biodiesel,” after “diesel fuel,”.

7 (5) OTHER CONFORMING AMENDMENTS.—

8 (A) The heading for paragraph (1) of sec-
9 tion 4041(a) is amended by striking “DIESEL
10 FUEL AND KEROSENE” and inserting “DIESEL
11 FUEL, KEROSENE, AND BIODIESEL”.

12 (B) Paragraph (2) of section 6416(b) is
13 amended by striking “diesel fuel or kerosene”
14 and inserting “diesel fuel, kerosene, or bio-
15 diesel”.

16 (C) Section 6427(l) is amended—

17 (i) by striking “diesel fuel or ker-
18 osene” each place it appears in paragraph
19 (1) and (5)(A) and inserting “diesel fuel,
20 kerosene, or biodiesel”,

21 (ii) by striking “DIESEL FUEL AND
22 KEROSENE” in the heading and inserting
23 “DIESEL FUEL, KEROSENE, AND BIO-
24 DIESEL”, and

1 (iii) by striking “DIESEL FUEL OR
2 KEROSENE” in the heading of paragraph
3 (5) and inserting “DIESEL FUEL, KER-
4 OSENE, OR BIODIESEL”.

5 (D) Section 6715(c)(1) is amended by
6 striking “diesel fuel or kerosene” and inserting
7 “diesel fuel, kerosene, or biodiesel”.

8 (6) EFFECTIVE DATE.—The amendments made
9 by this subsection shall apply to biodiesel sold or
10 used after December 31, 2015.

11 **SEC. 305. EXTENSION OF SPECIAL ALLOWANCE FOR SEC-**
12 **OND GENERATION BIOFUEL PLANT PROP-**
13 **ERTY.**

14 (a) IN GENERAL.—Subparagraph (D) of section
15 168(l)(2) of the Internal Revenue Code of 1986 is amend-
16 ed to read as follows:

17 “(D) the construction of which begins be-
18 fore January 1, 2023.”.

19 (b) EFFECTIVE DATE.—The amendment made by
20 this section shall apply to property placed in service after
21 December 31, 2014.

1 **SEC. 306. EXTENSION AND MODIFICATION OF THE ALTER-**
2 **NATIVE FUEL VEHICLE REFUELING PROP-**
3 **ERTY CREDIT.**

4 (a) IN GENERAL.—Section 30C of the Internal Rev-
5 enue Code of 1986 is amended—

6 (1) by amending subsection (c) to read as fol-
7 lows:

8 “(c) QUALIFIED ALTERNATIVE FUEL VEHICLE RE-
9 FUELING PROPERTY.—For purposes of this section, the
10 term ‘qualified alternative fuel vehicle refueling property’
11 means any of the following:

12 “(1) A pump or blender pump that is capable
13 of dispensing a fuel mixture that is at least 50 per-
14 cent ethanol.

15 “(2) A pump or blender pump that is capable
16 of dispensing a fuel mixture that is at least 50 per-
17 cent biodiesel or renewable diesel.

18 “(3) A pump that is capable of dispensing a
19 biofuel and petroleum blend, at least 50 percent of
20 which is a renewable fuel (as defined in section
21 211(o)(1) of the Clean Air Act (42 U.S.C.
22 7545(o)(1))).

23 “(4) A direct current electric charging station
24 with a power rating of at least 40 kilowatts.

25 “(5) An alternating current electric charging
26 station with a voltage rating between 208 volts and

1 240 volts and a power rating between 2.5 kilowatts
2 and 20 kilowatts.

3 “(6) Hydrogen fuel-cell refilling infrastructure.

4 “(7) Any other infrastructure that the Adminis-
5 trator may prescribe by regulation that is capable of
6 dispensing a fuel that is not less than a 50-percent
7 mixture of a renewable fuel (as defined in section
8 211(o)(1) of the Clean Air Act (42 U.S.C.
9 7545(o)(1))).”,

10 (2) in subsection (e)—

11 (A) by striking paragraphs (5) through
12 (7), and

13 (B) by inserting after paragraph (4) the
14 following new paragraph:

15 “(5) RECAPTURE RULES.—The Secretary shall,
16 by regulations, provide for recapturing the benefit of
17 any credit allowable under subsection (a) with re-
18 spect to any property which ceases to be property el-
19 igible for such credit.”, and

20 (3) by amending subsection (g) to read as fol-
21 lows:

22 “(g) TERMINATION.—This section shall not apply to
23 any property placed in service after December 31, 2022.”.

1 (4) EFFECTIVE DATE.—The amendments made
2 by this section shall apply to property placed in serv-
3 ice after December 31, 2014.

4 **SEC. 307. PERMANENT EXTENSION OF PARITY OF EXCLU-**
5 **SION FROM INCOME FOR EMPLOYER-PRO-**
6 **VIDED MASS TRANSIT AND PARKING BENE-**
7 **FITS.**

8 (a) IN GENERAL.—Section 132(f)(2) of the Internal
9 Revenue Code of 1986 is amended—

10 (1) by striking “\$100” in subparagraph (A)
11 and inserting “\$250”,

12 (2) by striking “\$175” in subparagraph (B)
13 and inserting “\$250”, and

14 (3) by striking the last sentence.

15 (b) INFLATION ADJUSTMENT CONFORMING AMEND-
16 MENTS.—Subparagraph (A) of section 132(f)(6) is
17 amended—

18 (1) by striking the last sentence,

19 (2) by striking “1999” and inserting “2015”,
20 and

21 (3) by striking “1998” and inserting “2014”.

22 (c) EFFECTIVE DATE.—The amendments made by
23 this section shall apply to taxable years beginning after
24 2014.

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