110TH CONGRESS
1ST SESSION

S. 1697

To amend the Internal Revenue Code of 1986 to provide a credit for residential biomass fuel property expenditures.

IN THE SENATE OF THE UNITED STATES

JUNE 26, 2007

Mr. SUNUNU (for himself, Mr. GREGG, and Mr. THUNE) introduced the following bill; which was read twice and referred to the Committee on Finance

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A BILL

To amend the Internal Revenue Code of 1986 to provide a credit for residential biomass fuel property expenditures.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Renewable Energy Tax Parity Act of 2007''.

SEC. 2. CREDIT FOR BIOMASS FUEL PROPERTY EXPENDITURES.

(a) ALLOWANCE OF CREDIT.—Subsection (a) of section 25D of the Internal Revenue Code of 1986 (relating to allowance of credit), is amended—

(1) by striking ''and'' at the end of paragraph (2),

(2) by striking the period at the end of paragraph (3) and inserting '', and'', and

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

''(4) 30 percent of the qualified biomass fuel property expenditures made by the taxpayer during such year.''.

(b) MAXIMUM CREDIT.—Paragraph (1) of section 25D(b) of such Code (relating to maximum credit) is amended—

(1) by striking ''and'' at the end of subparagraph (B),

(2) by striking the period at the end of subparagraph (C) and inserting '', and'', and

(3) by adding at the end the following new subparagraph:

''(D) $2,000 with respect to any qualified biomass fuel property expenditures.''.

(c) MAXIMUM EXPENDITURES.—Subparagraph (A) of section 25D(e)(4) of such Code (relating to maximum expenditures in case of joint occupancy) is amended—

(1) by striking ''and'' at the end of clause (ii),

(2) by striking the period at the end of clause (iii) and inserting ", and", and

(3) by adding at the end the following new clause:

"(iv) $6,667 in the case of any qualified biomass fuel property expenditures.".

(d) QUALIFIED BIOMASS FUEL PROPERTY EXPENDITURES.—Subsection (d) of section 25D of such Code (relating to definitions) is amended by adding at the end the following new paragraph:

"(4) QUALIFIED BIOMASS FUEL PROPERTY EXPENDITURE.—

"(A) IN GENERAL.—The term 'qualified biomass fuel property expenditure' means an expenditure for property—

"(i) which uses the burning of biomass fuel to heat a dwelling unit located in the United States and used as a residence by the taxpayer, or to heat water for use in such a dwelling unit, and

"(ii) which has a thermal efficiency rating of at least 75 percent.

"(B) BIOMASS FUEL.—For purposes of this section, the term 'biomass fuel' means any plant-derived fuel available on a renewable or

recurring basis, including agricultural crops and trees, wood and wood waste and residues (including wood pellets), plants (including aquatic plants), grasses, residues, and fibers.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to expenditures paid or incurred in taxable years beginning after December 31, 2007.

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