

110TH CONGRESS  
1ST SESSION

# H. R. 3807

To amend the Internal Revenue Code of 1986 to increase and extend certain renewable energy and energy efficiency incentives.

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## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 10, 2007

Ms. GIFFORDS (for herself, Mr. VAN HOLLEN, Mr. ELLISON, Mr. BLUMENAUER, Mr. LAMPSON, Mr. PALLONE, Mr. EMANUEL, Mr. POMEROY, Mr. CHANDLER, Mr. UDALL of New Mexico, Mr. ALTMIRE, Ms. BERKLEY, Mr. GRIJALVA, Mr. ISRAEL, Mr. CARNEY, Mr. PASTOR, Mr. EHLERS, Mr. SMITH of Washington, Mr. MCCAUL of Texas, Mr. MITCHELL, Mr. BRALEY of Iowa, Mr. MCNERNEY, Mr. INSLEE, and Mr. MOORE of Kansas) 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 increase and extend certain renewable energy and energy efficiency incentives.

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 “Renewable Energy As-  
5 sistance Act of 2007”.

1 **SEC. 2. INCREASE AND EXTENSION OF CREDIT FOR RESI-**  
2 **DENTIAL ENERGY EFFICIENT PROPERTY.**

3 (a) EXTENSION.—Subsection (g) of section 25D of  
4 the Internal Revenue Code of 1986 is amended by striking  
5 “December 31, 2008” and inserting “December 31,  
6 2016”.

7 (b) REPEAL OF MAXIMUM DOLLAR LIMITATION.—

8 (1) IN GENERAL.—Subsection (b) of section  
9 25D of such Code is amended to read as follows:

10 “(b) CERTIFICATION OF SOLAR WATER HEATING  
11 PROPERTY.—No credit shall be allowed under this section  
12 for an item of property described in subsection (d)(1) un-  
13 less such property is certified for performance by the non-  
14 profit Solar Rating Certification Corporation or a com-  
15 parable entity endorsed by the government of the State  
16 in which such property is installed.”.

17 (2) CONFORMING AMENDMENTS.—

18 (A) Subsection (e) of section 25D of such  
19 Code is amended by striking paragraph (4) and  
20 by redesignating paragraphs (5) through (9) as  
21 paragraphs (4) through (8), respectively.

22 (B) Paragraph (1) of section 25C(e) of  
23 such Code is amended by striking “(8), and  
24 (9)” and inserting “and (8) (and paragraph (4)  
25 as in effect before its repeal)”.

1           (c) CREDIT ALLOWED AGAINST ALTERNATIVE MIN-  
2   IMUM TAX.—

3           (1) IN GENERAL.—Subsection (c) of section  
4   25D of such Code is amended to read as follows:

5           “(c) LIMITATION BASED ON AMOUNT OF TAX;  
6   CARRYFORWARD OF UNUSED CREDIT.—

7           “(1) LIMITATION BASED ON AMOUNT OF  
8   TAX.—In the case of a taxable year to which section  
9   26(a)(2) does not apply, the credit allowed under  
10   subsection (a) for the taxable year shall not exceed  
11   the excess of—

12           “(A) the sum of the regular tax liability  
13   (as defined in section 26(b)) plus the tax im-  
14   posed by section 55, over

15           “(B) the sum of the credits allowable  
16   under this subpart (other than this section) and  
17   section 27 for the taxable year.

18           “(2) CARRYFORWARD OF UNUSED CREDIT.—

19           “(A) RULE FOR YEARS IN WHICH ALL  
20   PERSONAL CREDITS ALLOWED AGAINST REG-  
21   ULAR AND ALTERNATIVE MINIMUM TAX.—In  
22   the case of a taxable year to which section  
23   26(a)(2) applies, if the credit allowable under  
24   subsection (a) exceeds the limitation imposed by  
25   section 26(a)(2) for such taxable year reduced

1 by the sum of the credits allowable under this  
2 subpart (other than this section), such excess  
3 shall be carried to the succeeding taxable year  
4 and added to the credit allowable under sub-  
5 section (a) for such succeeding taxable year.

6 “(B) RULE FOR OTHER YEARS.—In the  
7 case of a taxable year to which section 26(a)(2)  
8 does not apply, if the credit allowable under  
9 subsection (a) exceeds the limitation imposed by  
10 paragraph (1) for such taxable year, such ex-  
11 cess shall be carried to the succeeding taxable  
12 year and added to the credit allowable under  
13 subsection (a) for such succeeding taxable  
14 year.”.

15 (2) CONFORMING AMENDMENTS.—

16 (A) Section 23(b)(4)(B) of such Code is  
17 amended by inserting “and section 25D” after  
18 “this section”.

19 (B) Section 24(b)(3)(B) of such Code is  
20 amended by striking “and 25B” and inserting  
21 “, 25B, and 25D”.

22 (C) Section 25B(g)(2) of such Code is  
23 amended by striking “section 23” and inserting  
24 “sections 23 and 25D”.

1           (D) Section 26(a)(1) of such Code is  
2           amended by striking “and 25B” and inserting  
3           “25B, and 25D”.

4           (d) EFFECTIVE DATES.—

5           (1) IN GENERAL.—Except as otherwise pro-  
6           vided in this subsection, the amendments made by  
7           this section shall apply to expenditures made after  
8           the date of the enactment of this Act.

9           (2) EXTENSION.—The amendment made by  
10          subsection (a) shall apply to property placed in serv-  
11          ice after December 31, 2008.

12          (3) ALLOWANCE AGAINST ALTERNATIVE MIN-  
13          IMUM TAX.—

14           (A) IN GENERAL.—The amendments made  
15           by subsection (c) shall apply to taxable years  
16           beginning after the date of the enactment of  
17           this Act.

18           (B) APPLICATION OF EGTRRA SUNSET.—  
19           The amendments made by subparagraphs (A)  
20           and (B) of subsection (c)(2) shall be subject to  
21           title IX of the Economic Growth and Tax Relief  
22           Reconciliation Act of 2001 in the same manner  
23           as the provisions of such Act to which such  
24           amendments relate.

1 **SEC. 3. EXTENSION AND MODIFICATION OF ENERGY CRED-**  
2 **IT.**

3 (a) **EXTENSION OF 30 PERCENT CREDIT FOR SOLAR**  
4 **ENERGY.**—Subclause (II) of section 48(a)(2)(A)(i) of the  
5 Internal Revenue Code of 1986 is amended by striking  
6 “January 1, 2009” and inserting “January 1, 2017”.

7 (b) **EXTENSION FOR QUALIFIED FUEL CELLS.**—Sub-  
8 paragraph (E) of section 48(c)(1) of such Code is amend-  
9 ed by striking “December 31, 2008” and inserting “De-  
10 cember 31, 2016”.

11 (c) **PUBLIC ELECTRIC UTILITY PROPERTY TAKEN**  
12 **INTO ACCOUNT.**—

13 (1) **IN GENERAL.**—Paragraph (3) of section  
14 48(a) of such Code is amended by striking the sec-  
15 ond sentence thereof.

16 (2) **CONFORMING AMENDMENT.**—Paragraph (1)  
17 of section 48(c) of such Code, after amendment  
18 under subsection (b), is amended by striking sub-  
19 paragraph (D) and redesignating subparagraph (E)  
20 as subparagraph (D).

21 (3) **EFFECTIVE DATE.**—The amendments made  
22 by this subsection shall apply to periods after June  
23 20, 2007, in taxable years ending after such date,  
24 under rules similar to the rules of section 48(m) of  
25 the Internal Revenue Code of 1986 (as in effect on

1 the day before the date of the enactment of the Rev-  
2 enue Reconciliation Act of 1990).

3 **SEC. 4. EXTENSION OF CREDIT FOR NONBUSINESS ENERGY**  
4 **PROPERTY.**

5 Subsection (g) of section 25C of the Internal Revenue  
6 Code of 1986 is amended by striking “December 31,  
7 2007” and inserting “December 31, 2015”.

8 **SEC. 5. MODIFICATIONS OF ENERGY EFFICIENT APPLI-**  
9 **ANCE CREDIT FOR APPLIANCES PRODUCED**  
10 **AFTER 2007.**

11 (a) IN GENERAL.—Subsection (b) of section 45M of  
12 the Internal Revenue Code of 1986 is amended to read  
13 as follows:

14 “(b) APPLICABLE AMOUNT.—For purposes of sub-  
15 section (a)—

16 “(1) DISHWASHERS.—The applicable amount  
17 is—

18 “(A) \$45 in the case of a dishwasher which  
19 is manufactured in calendar year 2008 or 2009  
20 and which uses no more than 324 kilowatt  
21 hours per year and 5.8 gallons per cycle, and

22 “(B) \$75 in the case of a dishwasher  
23 which is manufactured in calendar year 2008,  
24 2009, or 2010 and which uses no more than  
25 307 kilowatt hours per year and 5.0 gallons per

1 cycle (5.5 gallons per cycle for dishwashers de-  
2 signed for greater than 12 place settings).

3 “(2) CLOTHES WASHERS.—The applicable  
4 amount is—

5 “(A) \$75 in the case of a residential top-  
6 loading clothes washer manufactured in cal-  
7 endar year 2008 which meets or exceeds a 1.72  
8 modified energy factor and does not exceed a  
9 8.0 water consumption factor,

10 “(B) \$125 in the case of a residential top-  
11 loading clothes washer manufactured in cal-  
12 endar year 2008 or 2009 which meets or ex-  
13 ceeds a 1.8 modified energy factor and does not  
14 exceed a 7.5 water consumption factor,

15 “(C) \$150 in the case of a residential or  
16 commercial clothes washer manufactured in cal-  
17 endar year 2008, 2009 or 2010 which meets or  
18 exceeds 2.0 modified energy factor and does not  
19 exceed a 6.0 water consumption factor, and

20 “(D) \$250 in the case of a residential or  
21 commercial clothes washer manufactured in cal-  
22 endar year 2008, 2009, or 2010 which meets or  
23 exceeds 2.2 modified energy factor and does not  
24 exceed a 4.5 water consumption factor.

1           “(3) REFRIGERATORS.—The applicable amount  
2           is—

3                   “(A) \$50 in the case of a refrigerator  
4                   which is manufactured in calendar year 2008,  
5                   and consumes at least 20 percent but not more  
6                   than 22.9 percent less kilowatt hours per year  
7                   than the 2001 energy conservation standards,

8                   “(B) \$75 in the case of a refrigerator  
9                   which is manufactured in calendar year 2008 or  
10                  2009, and consumes at least 23 percent but no  
11                  more than 24.9 percent less kilowatt hours per  
12                  year than the 2001 energy conservation stand-  
13                  ards,

14                  “(C) \$100 in the case of a refrigerator  
15                  which is manufactured in calendar year 2008,  
16                  2009 or 2010, and consumes at least 25 per-  
17                  cent but not more than 29.9 percent less kilo-  
18                  watt hours per year than the 2001 energy con-  
19                  servation standards, and

20                  “(D) \$200 in the case of a refrigerator  
21                  manufactured in calendar year 2008, 2009 or  
22                  2010 and which consumes at least 30 percent  
23                  less energy than the 2001 energy conservation  
24                  standards.

1           “(4) DEHUMIDIFIERS.—The applicable amount  
2       is—

3           “(A) \$15 in the case of a dehumidifier  
4       manufactured in calendar year 2008 that has a  
5       capacity less than or equal to 45 pints per day  
6       and is 7.5 percent more efficient than the appli-  
7       cable Department of Energy energy conserva-  
8       tion standard effective October 2012, and

9           “(B) \$25 in the case of a dehumidifier  
10       manufactured in calendar year 2008 that has a  
11       capacity greater than 45 pints per day and is  
12       7.5 percent more efficient than the applicable  
13       Department of Energy energy conservation  
14       standard effective October 2012.”.

15       (b) ELIGIBLE PRODUCTION.—

16           (1) SIMILAR TREATMENT FOR ALL APPLI-  
17       ANCES.—Subsection (c) of section 45M of such Code  
18       is amended—

19           (A) by striking paragraph (2),

20           (B) by striking “(1) IN GENERAL” and all  
21       that follows through “the eligible” and inserting  
22       “The eligible”, and

23           (C) by moving the text of such subsection  
24       in line with the subsection heading and redesi-

1 nating subparagraphs (A) and (B) as para-  
2 graphs (1) and (2), respectively.

3 (2) MODIFICATION OF BASE PERIOD.—Para-  
4 graph (2) of section 45M(c) of such Code, as amend-  
5 ed by paragraph (1) of this section, is amended by  
6 striking “3-calendar year” and inserting “2-calendar  
7 year”.

8 (c) TYPES OF ENERGY EFFICIENT APPLIANCES.—  
9 Subsection (d) of section 45M of such Code is amended  
10 to read as follows:

11 “(d) TYPES OF ENERGY EFFICIENT APPLIANCE.—  
12 For purposes of this section, the types of energy efficient  
13 appliances are—

14 “(1) dishwashers described in subsection (b)(1),

15 “(2) clothes washers described in subsection  
16 (b)(2),

17 “(3) refrigerators described in subsection  
18 (b)(3), and

19 “(4) dehumidifiers described in subsection  
20 (b)(4).”.

21 (d) AGGREGATE CREDIT AMOUNT ALLOWED.—

22 (1) INCREASE IN LIMIT.—Paragraph (1) of sec-  
23 tion 45M(e) of such Code is amended to read as fol-  
24 lows:

1           “(1) AGGREGATE CREDIT AMOUNT ALLOWED.—  
2           The aggregate amount of credit allowed under sub-  
3           section (a) with respect to a taxpayer for any tax-  
4           able year shall not exceed \$75,000,000 reduced by  
5           the amount of the credit allowed under subsection  
6           (a) to the taxpayer (or any predecessor) for all prior  
7           taxable years beginning after December 31, 2007.”.

8           (2) EXCEPTION FOR CERTAIN REFRIGERATOR  
9           AND CLOTHES WASHERS.—Paragraph (2) of section  
10          45M(e) of such Code is amended to read as follows:

11          “(2) AMOUNT ALLOWED FOR CERTAIN REFRIG-  
12          ERATORS AND CLOTHES WASHERS.—Refrigerators  
13          described in subsection (b)(3)(D) and clothes wash-  
14          ers described in subsection (b)(2)(D) shall not be  
15          taken into account under paragraph (1).”.

16          (e) QUALIFIED ENERGY EFFICIENT APPLIANCES.—

17          (1) IN GENERAL.—Paragraph (1) of section  
18          45M(f) of such Code is amended to read as follows:

19          “(1) QUALIFIED ENERGY EFFICIENT APPLI-  
20          ANCE.—The term ‘qualified energy efficient appli-  
21          ance’ means—

22                  “(A) any dishwasher described in sub-  
23                  section (b)(1),

24                  “(B) any clothes washer described in sub-  
25                  section (b)(2),

1           “(C) any refrigerator described in sub-  
2           section (b)(3), and

3           “(D) any dehumidifier described in sub-  
4           section (b)(4).”.

5           (2) CLOTHES WASHER.—Section 45M(f)(3) of  
6           such Code is amended by inserting “commercial” be-  
7           fore “residential” the second place it appears.

8           (3) TOP-LOADING CLOTHES WASHER.—Sub-  
9           section (f) of section 45M of such Code is amended  
10          by redesignating paragraphs (4), (5), (6), and (7) as  
11          paragraphs (5), (6), (7), and (8), respectively, and  
12          by inserting after paragraph (3) the following new  
13          paragraph:

14          “(4) TOP-LOADING CLOTHES WASHER.—The  
15          term “top-loading clothes washer” means a clothes  
16          washer which has the clothes container compartment  
17          access located on the top of the machine and which  
18          operates on a vertical axis.”.

19          (4) DEHUMIDIFIER.—Subsection (f) of section  
20          45M of such Code, as amended by paragraph (3), is  
21          amended by redesignating paragraphs (6), (7), and  
22          (8) as paragraphs (7), (8) and (9), respectively, and  
23          by inserting after paragraph (5) the following new  
24          paragraph:

1           “(6) DEHUMIDIFIER.—The term ‘dehumidifier’  
2 means a self-contained, electrically operated, and  
3 mechanically refrigerated encased assembly con-  
4 sisting of—

5                   “(A) a refrigerated surface that condenses  
6 moisture from the atmosphere,

7                   “(B) a refrigerating system, including an  
8 electric motor,

9                   “(C) an air-circulating fan, and

10                  “(D) means for collecting or disposing of  
11 condensate.”.

12           (5) REPLACEMENT OF ENERGY FACTOR.—Sec-  
13 tion 45M(f)(7) of such Code, as amended by para-  
14 graph (4), is amended to read as follows:

15                   “(7) MODIFIED ENERGY FACTOR.—The term  
16 ‘modified energy factor’ means the modified energy  
17 factor established by the Department of Energy for  
18 compliance with the Federal energy conservation  
19 standard.”.

20           (6) GALLONS PER CYCLE; WATER CONSUMP-  
21 TION FACTOR.—Section 45M(f) of such Code is  
22 amended by adding at the end the following:

23                   “(10) GALLONS PER CYCLE.—The term ‘gallons  
24 per cycle’ means, with respect to a dishwasher, the

1 amount of water, expressed in gallons, required to  
2 complete a normal cycle of a dishwasher.

3 “(11) WATER CONSUMPTION FACTOR.—The  
4 term ‘water consumption factor’ means, with respect  
5 to a clothes washer, the quotient of the total weight-  
6 ed per-cycle water consumption divided by the cubic  
7 foot (or liter) capacity of the clothes washer.”.

8 (f) EFFECTIVE DATE.—The amendments made by  
9 this section shall apply to appliances produced after De-  
10 cember 31, 2007.

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