

American Clean Energy Investment Act of 2015

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Section 1: Short Title and Table of Contents – “American Clean Energy Investment Act of 2015.”

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

Section 101. Permanent Extension Credits with Respect To Certain Renewable Resources (26 U.S.C. 45): Permanently extends the production tax credit for renewable electricity generation from sources including wind, open- and closed-loop biomass, geothermal, solar, and marine and hydrokinetic energy. For onshore wind facilities, starting in 2022, gradually reduces the value of the PTC, to a rate of 1.1 cents/kWhr for facilities that commence construction starting in 2025.

Section 102. Permanent Extension and Modification of Energy Credit (26 U.S.C. 48): Permanently extends the Investment Tax Credit for advanced clean energy property, and expands the 30% credit to offshore wind facilities.

Section 103. Permanent Extension of Qualifying Advanced Energy Project Credit (26 U.S.C. 48C): Makes permanent the tax credit for investments in equipment for advanced clean energy manufacturers. Allows for 30% tax credit for qualified investments which reequips, expands, or establishes a manufacturing facility for clean energy technologies, including wind turbines, solar panels, fuel cells, smart grid technologies, and components for plug-in hybrid and electric vehicles. Under the American Reinvestment and Recovery Act, 48C was limited to \$2.3 billion dollars in tax credits. This permanent version allows for up \$1 billion in tax credits annually.

Section 104. Promoting Access to Renewable Energy and Energy Efficiency for Tax-Exempt Organizations: Creates a new Treasury grant program for organizations that cannot utilize federal clean energy tax incentives due to their tax-exempt status. The grant program provides financial incentives that are equivalent to the available tax credits for clean energy and energy efficiency technologies such as solar, fuel cells, geothermal heat pumps, and combined heat and power systems.

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

Section 201. Permanent Extension of Energy Efficient Commercial Building Deductions (26 U.S.C. 179D): Permanently extends the deduction for energy efficient commercial building property. The credit is available to the builder of the commercial property, and the commercial property must exceed by 50% the most current ASHRAE energy efficiency standards in effect at the start of the taxable year for systems such as heating, cooling, hot water, building envelope, and lighting systems.

Section 202. Permanent Extension of New Energy Efficient Home Credit (26 U.S.C. 45L): Permanently extends the tax credit for energy-efficient new homes. The credit is available to the builder of the home,

and is available only for homes that exceed by 50% the residential building energy codes in effect the year the home is built.

Section 203. Permanent Extension and Refundability of Credits For Non-Business Energy Property (26 U.S.C. 25C): Permanently extends tax credits for homeowners and other individual taxpayers for upgrades that improve the energy efficiency of their homes. Qualified property upgrades include credits for energy efficient replacement windows, heating and/or cooling units, and hot water heaters that in general meet specified EnergyStar performance requirements. In addition to being made permanent, the tax credit is made refundable for individuals.

Section 204. Permanent Extension and Refundability of Credits For Residential Energy Efficient Property (26 U.S.C. 25D): Permanently extends the 30% tax credit for homeowners and other non-commercial end users for solar PV, solar water heating, fuel cell, and geothermal heat pumps, and extends the 30% tax credit to energy storage systems. In addition to being made permanent, the tax credit is made refundable for individuals.

TITLE III – HELPING AMERICANS MOVE BEYOND OIL

Section 301. Permanent Extension, Increase, And Refundability of Credit For Qualified New Plug In Electric Drive Motor Vehicles (26 U.S.C. 30D): Eliminates the current 200,000 vehicles per-manufacturer eligibility cap for electric-drive vehicles, increases the maximum available amount of the tax credit from \$7500 to \$10,000, and makes the tax credit refundable for individual (i.e. non-business) taxpayers.

Section 302. Permanent Extension of Hybrid Medium- and Heavy-Duty Trucks (26 U.S.C. 30B): Permanently extends the tax credit for medium- and heavy-duty hybrid vehicles. The tax credit provides a tax credit of between 20%-40% for the qualified incremental cost associated with a hybrid vehicle over a comparable vehicle. The value of the credit is based on the percentage increase in fuel economy, and only applies to vehicles that achieve a minimum of 30% increase in fuel economy over a comparable conventional vehicle.

Section 303. Extension of Second Generation Biofuel Producer Credit (26 U.S.C. 40): Extends through the end of 2022 the \$1.01 per gallon tax credit for advanced biofuels that are derived from cellulosic or algae-based feedstocks.

Section 304. Extension of Incentives For Biodiesel and Renewable Diesel (26 U.S.C. 40A): Extends through the end of 2022 the \$1.00 per gallon tax credit for biodiesel and for renewable diesel fuels, and converts the credit from a blenders credit to a producer credit.

Section 305. Extension of Special Allowance for Second Generation Biofuel Plant Property (26 U.S.C. 168): Extends through the end of 2022 a special allowance that enables a taxpayer to deduct 50% of the cost of plant property associated with the production of second generation biofuels derived from cellulosic or algae-based feedstocks in the year that the property is placed in service.

Section 306. Extension and Modification of the Alternative Fuel Vehicle Refueling Property Credit (26 U.S.C. 30C): Extends through the end of 2022 a tax credit of up to 30% of the installation cost (but not

to exceed \$100,000) for certain alternative fuel infrastructure. The credit is also expanded to include ethanol blender pumps capable of delivering E50 blends or higher, biodiesel blender pumps capable of delivering B50 blends or higher, and both Type II and Type III electric charging stations for electric vehicles.

Section 307. Permanent Extension of Parity of Exclusion From Income For Employer-Provided Mass Transit And Parking Benefits (26 U.S.C. 132): Under current law, employers who offers their employees parking benefits receives a larger tax benefit than employers who offers their employees transit benefits, in effect offering a tax subsidy to employers who encourage their employees to drive to work. This section would permanently end this perverse tax incentive.