

117TH CONGRESS
1ST SESSION

H. R. 848

To amend the Internal Revenue Code of 1986 to provide incentives for renewable energy and energy efficiency, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 4, 2021

Mr. THOMPSON of California (for himself, Mr. NEAL, Mr. DOGGETT, Mr. LARSON of Connecticut, Mr. BLUMENAUER, Mr. KIND, Mr. PASCRELL, Mr. DANNY K. DAVIS of Illinois, Ms. SÁNCHEZ, Mr. HIGGINS of New York, Ms. SEWELL, Ms. DELBENE, Ms. CHU, Ms. MOORE of Wisconsin, Mr. KILDEE, Mr. BRENDAN F. BOYLE of Pennsylvania, Mr. BEYER, Mr. EVANS, Mr. SCHNEIDER, Mr. SUOZZI, Mr. PANETTA, Mrs. MURPHY of Florida, Mr. GOMEZ, Mr. HORSFORD, Ms. PLASKETT, Mr. MICHAEL F. DOYLE of Pennsylvania, Ms. MATSUI, Ms. BONAMICI, Ms. BROWNLEY, Mr. CONNOLLY, Mr. WELCH, Ms. ESHOO, Mr. CRIST, Mr. LEVIN of California, and Mr. COHEN) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to provide incentives for renewable energy and energy efficiency, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) SHORT TITLE.—This Act may be cited as the
3 “Growing Renewable Energy and Efficiency Now Act of
4 2021” or the “GREEN Act of 2021”.

5 (b) AMENDMENT OF 1986 CODE.—Except as other-
6 wise expressly provided, whenever in this Act an amend-
7 ment or repeal is expressed in terms of an amendment
8 to, or repeal of, a section or other provision, the reference
9 shall be considered to be made to a section or other provi-
10 sion of the Internal Revenue Code of 1986.

11 (c) TABLE OF CONTENTS.—The table of contents for
12 this Act is as follows:

Sec. 1. Short title; table of contents.

**TITLE I—RENEWABLE ELECTRICITY AND REDUCING CARBON
EMISSIONS**

Sec. 101. Extension of credit for electricity produced from certain renewable re-
sources.

Sec. 102. Extension and modification of energy credit.

Sec. 103. Extension of credit for carbon oxide sequestration.

Sec. 104. Elective payment for energy property and electricity produced from
certain renewable resources, etc.

Sec. 105. Green energy publicly traded partnerships.

TITLE II—RENEWABLE FUELS

Sec. 201. Biodiesel and renewable diesel.

Sec. 202. Extension of excise tax credits relating to alternative fuels.

Sec. 203. Extension of second generation biofuel incentives.

**TITLE III—GREEN ENERGY AND EFFICIENCY INCENTIVES FOR
INDIVIDUALS**

Sec. 301. Extension, increase, and modifications of nonbusiness energy property
credit.

Sec. 302. Residential energy efficient property.

Sec. 303. Energy efficient commercial buildings deduction.

Sec. 304. Extension, increase, and modifications of new energy efficient home
credit.

Sec. 305. Modifications to income exclusion for conservation subsidies.

TITLE IV—GREENING THE FLEET AND ALTERNATIVE VEHICLES

- Sec. 401. Modification of limitations on new qualified plug-in electric drive motor vehicle credit.
- Sec. 402. Credit for previously-owned qualified plug-in electric drive motor vehicles.
- Sec. 403. Credit for zero-emission heavy vehicles and zero-emission buses.
- Sec. 404. Qualified fuel cell motor vehicles.
- Sec. 405. Alternative fuel refueling property credit.
- Sec. 406. Modification of employer-provided fringe benefits for bicycle commuting.

TITLE V—INVESTMENT IN THE GREEN WORKFORCE

- Sec. 501. Extension of the advanced energy project credit.
- Sec. 502. Labor costs of installing mechanical insulation property.
- Sec. 503. Labor standards for certain energy jobs.

TITLE VI—ENVIRONMENTAL JUSTICE

- Sec. 601. Qualified environmental justice program credit.

TITLE VII—TREASURY REPORT ON DATA FROM THE GREENHOUSE GAS REPORTING PROGRAM

- Sec. 701. Report on Greenhouse Gas Reporting Program.

1 TITLE I—RENEWABLE ELEC- **2 TRICITY AND REDUCING CAR-** **3 BON EMISSIONS**

4 SEC. 101. EXTENSION OF CREDIT FOR ELECTRICITY PRO- **5 DUCED FROM CERTAIN RENEWABLE RE-** **6 SOURCES.**

7 (a) IN GENERAL.—The following provisions of sec-
8 tion 45(d) are each amended by striking “January 1,
9 2022” each place it appears and inserting “January 1,
10 2027”:

- 11 (1) Paragraph (2)(A).**
- 12 (2) Paragraph (3)(A).**
- 13 (3) Paragraph (6).**
- 14 (4) Paragraph (7).**
- 15 (5) Paragraph (9).**

1 (6) Paragraph (11)(B).

2 (b) EXTENSION OF ELECTION TO TREAT QUALIFIED
3 FACILITIES AS ENERGY PROPERTY.—Section
4 48(a)(5)(C)(ii) is amended by striking “January 1, 2022”
5 and inserting “January 1, 2027”.

6 (c) APPLICATION OF EXTENSION TO WIND FACILI-
7 TIES.—

8 (1) IN GENERAL.—Section 45(d)(1) is amended
9 by striking “January 1, 2022” and inserting “Janu-
10 ary 1, 2027”.

11 (2) APPLICATION OF PHASEOUT PERCENT-
12 AGE.—

13 (A) RENEWABLE ELECTRICITY PRODUC-
14 TION CREDIT.—Sections 45(b)(5)(D) is amend-
15 ed by striking “and before January 1, 2022,”.

16 (B) ENERGY CREDIT.—Section
17 48(a)(5)(E)(iv) is amended by striking “and be-
18 fore January 1, 2022,”.

19 (3) QUALIFIED OFFSHORE WIND FACILITIES
20 UNDER ENERGY CREDIT.—Section 48(a)(5)(F)(i) is
21 amended by striking “offshore wind facility—” and
22 all that follows and inserting the following: “offshore
23 wind facility, subparagraph (E) shall not apply.”.

1 (d) EFFECTIVE DATE.—The amendments made by
 2 this section shall apply to facilities the construction of
 3 which begins after December 31, 2021.

4 **SEC. 102. EXTENSION AND MODIFICATION OF ENERGY**
 5 **CREDIT.**

6 (a) EXTENSION OF CREDIT.—The following provi-
 7 sions of section 48 are each amended by striking “January
 8 1, 2024” each place it appears and inserting “January
 9 1, 2028”:

10 (1) Subsection (a)(3)(A)(ii).

11 (2) Subsection (a)(3)(A)(vii).

12 (3) Subsection (c)(1)(D).

13 (4) Subsection (c)(2)(D).

14 (5) Subsection (c)(3)(A)(iv).

15 (6) Subsection (c)(4)(C).

16 (b) PHASEOUT OF CREDIT.—Section 48(a) is amend-
 17 ed—

18 (1) by striking “after December 31, 2019, and
 19 before January 1, 2023” in paragraphs (6)(A)(i)
 20 and (7)(A)(i) and inserting “after December 31,
 21 2019, and before January 1, 2021, or begins after
 22 December 31, 2026, and before January 1, 2028”,

23 (2) by striking “after December 31, 2022, and
 24 before January 1, 2024” in paragraphs (6)(A)(ii)

1 and (7)(A)(ii) and inserting “after December 31,
2 2027, and before January 1, 2029”,

3 (3) by striking “before January 1, 2024” in
4 paragraphs (6)(A) (in the matter preceding clause
5 (i) thereof) and (6)(B) and inserting “before Janu-
6 ary 1, 2029”, and

7 (4) by striking “before January 1, 2026” in
8 paragraphs (6)(B) and (7)(B) and inserting “before
9 January 1, 2031”.

10 (c) 30 PERCENT CREDIT FOR SOLAR AND GEO-
11 THERMAL.—

12 (1) EXTENSION FOR SOLAR.—Section
13 48(a)(2)(A)(i)(II) is amended by striking “January
14 1, 2024” and inserting “January 1, 2029”.

15 (2) APPLICATION TO GEOTHERMAL.—

16 (A) IN GENERAL.—Paragraphs
17 (2)(A)(i)(II), (6)(A), and (6)(B) of section
18 48(a) are each amended by striking “paragraph
19 (3)(A)(i)” and inserting “clause (i) or (iii) of
20 paragraph (3)(A)”.

21 (B) CONFORMING AMENDMENT.—The
22 heading of section 48(a)(6) is amended by in-
23 serting “AND GEOTHERMAL” after “SOLAR EN-
24 ERGY”.

1 (d) ENERGY STORAGE TECHNOLOGIES; QUALIFIED
 2 BIOGAS PROPERTY; EXTENSION OF WASTE ENERGY RE-
 3 COVERY PROPERTY.—

4 (1) IN GENERAL.—Section 48(a)(3)(A) is
 5 amended by striking “or” at the end of clause (vii),
 6 and by adding at the end the following new clauses:

7 “(viii) energy storage technology, or
 8 “(ix) qualified biogas property,”.

9 (2) APPLICATION OF 30 PERCENT CREDIT.—
 10 Section 48(a)(2)(A)(i) is amended by striking “and”
 11 at the end of subclauses (IV) and (V) and adding at
 12 the end the following new subclauses:

13 “(VI) energy storage technology,
 14 and
 15 “(VII) qualified biogas property,
 16 and”.

17 (3) APPLICATION OF PHASEOUT.—Section
 18 48(a)(7) is amended by inserting “energy storage
 19 technology, qualified biogas property,” after “waste
 20 energy recovery property,”.

21 (4) DEFINITIONS.—Section 48(c) is amended
 22 by adding at the end the following new paragraphs:

23 “(6) ENERGY STORAGE TECHNOLOGY.—

24 “(A) IN GENERAL.—The term ‘energy
 25 storage technology’ means equipment (other

1 than equipment primarily used in the transpor-
2 tation of goods or individuals and not for the
3 production of electricity) which—

4 “(i) uses batteries, compressed air,
5 pumped hydropower, hydrogen storage (in-
6 cluding hydrolysis and electrolysis), ther-
7 mal energy storage, regenerative fuel cells,
8 flywheels, capacitors, superconducting
9 magnets, or other technologies identified
10 by the Secretary, after consultation with
11 the Secretary of Energy, to store energy
12 for conversion to electricity and has a ca-
13 pacity of not less than 5 kilowatt hours, or

14 “(ii) stores thermal energy to heat or
15 cool (or provide hot water for use in) a
16 structure (other than for use in a swim-
17 ming pool).

18 “(B) TERMINATION.—The term ‘energy
19 storage technology’ shall not include any prop-
20 erty the construction of which does not begin
21 before January 1, 2029.

22 “(7) QUALIFIED BIOGAS PROPERTY.—

23 “(A) IN GENERAL.—The term ‘qualified
24 biogas property’ means property comprising a
25 system which—

“(i) converts biomass (as defined in section 45K(c)(3)) into a gas which—

“(I) consists of not less than 52 percent methane, or

“(II) is concentrated by such system into a gas which consists of not less than 52 percent methane, and

“(ii) captures such gas for productive use.

“(B) INCLUSION OF CLEANING AND CONDITIONING PROPERTY.—The term ‘qualified biogas property’ includes any property which is part of such system which cleans or conditions such gas.

“(C) TERMINATION.—The term ‘qualified biogas property’ shall not include any property the construction of which does not begin before January 1, 2029.”.

(5) DENIAL OF DOUBLE BENEFIT FOR QUALIFIED BIOGAS PROPERTY.—Section 45(e) is amended by adding at the end the following new paragraph:

“(12) COORDINATION WITH ENERGY CREDIT FOR QUALIFIED BIOGAS PROPERTY.—The term ‘qualified facility’ shall not include any facility which produces electricity from gas produced by qualified

1 biogas property (as defined in section 48(c)(7)) if a
 2 credit is determined under section 48 with respect to
 3 such property for the taxable year or any prior tax-
 4 able year.”.

5 (6) EXTENSION OF WASTE ENERGY RECOVERY
 6 PROPERTY.—Section 48(c)(5)(D) is amended by
 7 striking “January 1, 2024” and inserting “January
 8 1, 2029”.

9 (e) FUEL CELLS USING ELECTROMECHANICAL
 10 PROCESSES.—

11 (1) IN GENERAL.—Section 48(c)(1) is amend-
 12 ed—

13 (A) in subparagraph (A)(i)—

14 (i) by inserting “or electromechanical”
 15 after “electrochemical”, and

16 (ii) by inserting “(1 kilowatts in the
 17 case of a fuel cell power plant with a linear
 18 generator assembly)” after “0.5 kilowatt”,
 19 and

20 (B) in subparagraph (C)—

21 (i) by inserting “, or linear generator
 22 assembly,” after “a fuel cell stack assem-
 23 bly”, and

24 (ii) by inserting “or
 25 electromechanical” after “electrochemical”.

1 (2) LINEAR GENERATOR ASSEMBLY LIMITA-
2 TION.—Section 48(c)(1) is amended by redesignig-
3 nating subparagraph (D) as subparagraph (E) and
4 by inserting after subparagraph (C) the following
5 new subparagraph:

6 “(D) LINEAR GENERATOR ASSEMBLY.—
7 The term ‘linear generator assembly’ does not
8 include any assembly which contains rotating
9 parts.”.

10 (f) EFFECTIVE DATE.—The amendments made by
11 this section shall apply to periods after December 31,
12 2021, under rules similar to the rules of section 48(m)
13 as in effect on the day before the date of the enactment
14 of the Revenue Reconciliation Act of 1990.

15 **SEC. 103. EXTENSION OF CREDIT FOR CARBON OXIDE SE-**
16 **QUESTRATION.**

17 (a) IN GENERAL.—Section 45Q(d)(1) is amended by
18 striking “January 1, 2026” and inserting “January 1,
19 2027”.

20 (b) EFFECTIVE DATE.—The amendment made by
21 this section applies to facilities the construction of which
22 begins after December 31, 2025.

1 **SEC. 104. ELECTIVE PAYMENT FOR ENERGY PROPERTY**
 2 **AND ELECTRICITY PRODUCED FROM CER-**
 3 **TAIN RENEWABLE RESOURCES, ETC.**

4 (a) IN GENERAL.—Subchapter B of chapter 65 is
 5 amended by adding at the end the following new section:

6 **“SEC. 6431. ELECTIVE PAYMENT FOR ENERGY PROPERTY,**
 7 **ELECTRICITY PRODUCED FROM CERTAIN RE-**
 8 **NEWABLE RESOURCES, ETC, AND CARBON**
 9 **OXIDE SEQUESTRATION.**

10 “(a) ENERGY PROPERTY.—In the case of a taxpayer
 11 making an election (at such time and in such manner as
 12 the Secretary may provide) under this section with respect
 13 to any portion of an applicable credit, such taxpayer shall
 14 be treated as making a payment against the tax imposed
 15 by subtitle A for the taxable year equal to—

16 “(1) in the case of an Indian tribal government,
 17 the amount of such portion, and

18 “(2) in the case of any other taxpayer, 85 per-
 19 cent of such amount.

20 “(b) DEFINITIONS AND SPECIAL RULES.—For pur-
 21 poses of this section—

22 “(1) GOVERNMENTAL ENTITIES TREATED AS
 23 TAXPAYERS.—In the case of an election under this
 24 section—

25 “(A) any State or local government, or a
 26 political subdivision thereof, or

1 “(B) an Indian tribal government,
2 shall be treated as a taxpayer for purposes of this
3 section and determining any applicable credit.

4 “(2) APPLICABLE CREDIT.—The term ‘applica-
5 ble credit’ means each of the following credits that
6 would (without regard to this section) be determined
7 with respect to the taxpayer:

8 “(A) A energy credit under section 48.

9 “(B) A renewable electricity production
10 credit under section 45.

11 “(C) A carbon oxide sequestration credit
12 under section 45Q.

13 “(3) INDIAN TRIBAL GOVERNMENT.—The term
14 ‘Indian tribal government’ shall have the meaning
15 given such term by section 139E.

16 “(4) TIMING.—The payment described in sub-
17 paragraph (A) shall be treated as made on—

18 “(A) in the case of any government, or po-
19 litical subdivision, to which paragraph (1) ap-
20 plies and for which no return is required under
21 section 6011 or 6033(a), the later of the date
22 that a return would be due under section
23 6033(a) if such government or subdivision were
24 described in that section or the date on which
25 such government or subdivision submits a claim

1 for credit or refund (at such time and in such
2 manner as the Secretary shall provide), and

3 “(B) in any other case, the later of the due
4 date of the return of tax for the taxable year
5 or the date on which such return is filed.

6 “(5) WAIVER OF SPECIAL RULES.—In the case
7 of an election under this section, the determination
8 of any applicable credit shall be without regard to
9 paragraphs (3) and (4)(A)(i) of section 50(b).

10 “(c) EXCLUSION FROM GROSS INCOME.—Gross in-
11 come of the taxpayer shall be determined without regard
12 to this section.

13 “(d) DENIAL OF DOUBLE BENEFIT.—Solely for pur-
14 poses of section 38, in the case of a taxpayer making an
15 election under this section, the energy credit determined
16 under section 45 or the renewable electricity production
17 credit determined under section 48 shall be reduced by
18 the amount of the portion of such credit with respect to
19 which the taxpayer makes such election.”.

20 (b) CLERICAL AMENDMENT.—The table of sections
21 for subchapter B of chapter 65 is amended by adding at
22 the end the following new item:

“Sec. 6431. Elective payment for energy property and electricity produced from
certain renewable resources, etc.”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to property originally placed in
3 service after the date of the enactment of this Act.

4 **SEC. 105. GREEN ENERGY PUBLICLY TRADED PARTNER-**
5 **SHIPS.**

6 (a) IN GENERAL.—Section 7704(d)(1)(E) is amend-
7 ed—

8 (1) by striking “income and gains derived from
9 the exploration” and inserting “income and gains
10 derived from—

11 “(i) the exploration”,

12 (2) by inserting “or” before “industrial
13 source”, and

14 (3) by striking “, or the transportation or stor-
15 age” and all that follows and inserting the following:

16 “(ii) the generation of electric power
17 or thermal energy exclusively using any
18 qualified energy resource (as defined in
19 section 45(c)(1)),

20 “(iii) the operation of energy property
21 (as defined in section 48(a)(3), determined
22 without regard to any date by which the
23 construction of the facility is required to
24 begin),

1 “(iv) in the case of a facility described
2 in paragraph (3) or (7) of section 45(d)
3 (determined without regard to any placed
4 in service date or date by which construc-
5 tion of the facility is required to begin),
6 the accepting or processing of open-loop
7 biomass or municipal solid waste,

8 “(v) the storage of electric power or
9 thermal energy exclusively using energy
10 property that is energy storage property
11 (as defined in section 48(c)(5)),

12 “(vi) the generation, storage, or dis-
13 tribution of electric power or thermal en-
14 ergy exclusively using energy property that
15 is combined heat and power system prop-
16 erty (as defined in section 48(c)(3), deter-
17 mined without regard to subparagraph
18 (B)(iii) thereof and without regard to any
19 date by which the construction of the facil-
20 ity is required to begin),

21 “(vii) the transportation or storage of
22 any fuel described in subsection (b), (c),
23 (d), or (e) of section 6426,

24 “(viii) the conversion of renewable bio-
25 mass (as defined in subparagraph (I) of

1 section 211(o)(1) of the Clean Air Act (as
2 in effect on the date of the enactment of
3 this clause)) into renewable fuel (as de-
4 fined in subparagraph (J) of such section
5 as so in effect), or the storage or transpor-
6 tation of such fuel,

7 “(ix) the production, storage, or
8 transportation of any fuel which—

9 “(I) uses as its primary feedstock
10 carbon oxides captured from an an-
11 thropogenic source or the atmosphere,

12 “(II) does not use as its primary
13 feedstock carbon oxide which is delib-
14 erately released from naturally occur-
15 ring subsurface springs, and

16 “(III) is determined by the Sec-
17 retary, after consultation with the
18 Secretary of Energy and the Adminis-
19 trator of the Environmental Protec-
20 tion Agency, to achieve a reduction of
21 not less than a 60 percent in lifecycle
22 greenhouse gas emissions (as defined
23 in section 211(o)(1)(H) of the Clean
24 Air Act, as in effect on the date of the
25 enactment of this clause) compared to

1 baseline lifecycle greenhouse gas emis-
2 sions (as defined in section
3 211(o)(1)(C) of such Act, as so in ef-
4 fect),

5 “(x) the generation of electric power
6 from, a qualifying gasification project (as
7 defined in section 48B(c)(1) without re-
8 gard to subparagraph (C)) that is de-
9 scribed in section 48(d)(1)(B), or

10 “(xi) in the case of a qualified facility
11 (as defined in section 45Q(d), without re-
12 gard to any date by which construction of
13 the facility is required to begin) not less
14 than 50 percent (30 percent in the case of
15 a facility placed in service before January
16 1, 2021) of the total carbon oxide produc-
17 tion of which is qualified carbon oxide (as
18 defined in section 45Q(c))—

19 “(I) the generation, availability
20 for such generation, or storage of elec-
21 tric power at such facility, or

22 “(II) the capture of carbon diox-
23 ide by such facility,”.

1 (b) EFFECTIVE DATE.—The amendments made by
 2 this section apply to taxable years beginning after Decem-
 3 ber 31, 2021.

4 **TITLE II—RENEWABLE FUELS**

5 **SEC. 201. BIODIESEL AND RENEWABLE DIESEL.**

6 (a) INCOME TAX CREDIT.—Section 40A(g) is amend-
 7 ed to read as follows:

8 “(g) PHASE OUT; TERMINATION.—

9 “(1) PHASE OUT.—In the case of any sale or
 10 use after December 31, 2022, subsections (b)(1)(A)
 11 and (b)(2)(A) shall be applied by substituting for
 12 ‘\$1.00’—

13 “(A) ‘\$.75’, if such sale or use is before
 14 January 1, 2024,

15 “(B) ‘\$.50’, if such sale or use is after De-
 16 cember 31, 2023, and before January 1, 2025,
 17 and

18 “(C) ‘\$.33’, if such sale or use is after De-
 19 cember 31, 2024, and before January 1, 2026.

20 “(2) TERMINATION.—This section shall not
 21 apply to any sale or use after December 31, 2025.”.

22 (b) EXCISE TAX INCENTIVES.—

23 (1) PHASE OUT.—Section 6426(c)(2) is amend-
 24 ed to read as follows:

1 “(2) APPLICABLE AMOUNT.—For purposes of
2 this subsection, the applicable amount is—

3 “(A) \$1.00 in the case of any sale or use
4 for any period before January 1, 2023,

5 “(B) \$.75 in the case of any sale or use for
6 any period after December 31, 2022, and before
7 January 1, 2024,

8 “(C) \$.50 in the case of any sale or use for
9 any period after December 31, 2023, and before
10 January 1, 2025, and

11 “(D) \$.33 in the case of any sale or use
12 for any period after December 31, 2024, and
13 before January 1, 2026.”.

14 (2) TERMINATION.—

15 (A) IN GENERAL.—Section 6426(c)(6) is
16 amended by striking “December 31, 2022” and
17 inserting “December 31, 2025”.

18 (B) PAYMENTS.—Section 6427(e)(6)(B) is
19 amended by striking “December 31, 2022” and
20 inserting “December 31, 2025”.

21 (c) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to fuel sold or used after December
23 31, 2022.

1 **SEC. 202. EXTENSION OF EXCISE TAX CREDITS RELATING**
2 **TO ALTERNATIVE FUELS.**

3 (a) EXTENSION AND PHASEOUT OF ALTERNATIVE
4 FUEL CREDIT.—

5 (1) IN GENERAL.—Section 6426(d)(1) is
6 amended by striking “50 cents” and inserting “the
7 applicable amount”.

8 (2) APPLICABLE AMOUNT AND TERMINATION.—
9 Section 6426(d)(5) is amended to read as follows:

10 “(5) PHASEOUT AND TERMINATION.—

11 “(A) PHASEOUT.—For purposes of this
12 subsection, the applicable amount is—

13 “(i) 50 cents in the case of any sale
14 or use for any period before January 1,
15 2023,

16 “(ii) 38 cents in the case of any sale
17 or use for any period after December 31,
18 2022, and before January 1, 2024,

19 “(iii) 25 cents in the case of any sale
20 or use for any period after December 31,
21 2023, and before January 1, 2025, and

22 “(iv) 17 cents in the case of any sale
23 or use for any period after December 31,
24 2024, and before January 1, 2026.

(1) IN GENERAL.—Section 6426(e)(3) is amended by striking “December 31, 2021” and inserting “December 31, 2025”.

(c) PAYMENTS FOR ALTERNATIVE FUELS.—Section 6427(e)(6)(C) is amended by striking “December 31, 2021” and inserting “December 31, 2025”.

17 SEC. 203. EXTENSION OF SECOND GENERATION BIOFUEL
18 INCENTIVES.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to qualified second generation biofuel production after December 31, 2021.

1 **TITLE III—GREEN ENERGY AND**
2 **EFFICIENCY INCENTIVES FOR**
3 **INDIVIDUALS**

4 **SEC. 301. EXTENSION, INCREASE, AND MODIFICATIONS OF**
5 **NONBUSINESS ENERGY PROPERTY CREDIT.**

6 (a) EXTENSION OF CREDIT.—Section 25C(g)(2) is
7 amended by striking “December 31, 2021” and inserting
8 “December 31, 2025”.

9 (b) INCREASE IN CREDIT PERCENTAGE FOR QUALI-
10 FIED ENERGY EFFICIENCY IMPROVEMENTS.—Section
11 25C(a)(1) is amended by striking “10 percent” and insert-
12 ing “15 percent”.

13 (c) INCREASE IN LIFETIME LIMITATION OF CRED-
14 IT.—Section 25C(b)(1) is amended—

15 (1) by striking “\$500” and inserting “\$1,200”,
16 and

17 (2) by striking “December 31, 2005” and in-
18 serting “December 31, 2021”.

19 (d) LIMITATIONS.—Section 25C(b) is amended by
20 striking paragraphs (2) and (3) and inserting the fol-
21 lowing:

22 “(2) LIMITATION ON QUALIFIED ENERGY EFFI-
23 CIENCY IMPROVEMENTS.—The credit allowed under
24 this section by reason of subsection (a)(1), with re-

1 spect to costs paid or incurred by a taxpayer for a
2 taxable year, shall not exceed—

3 “(A) for components described in sub-
4 section (c)(3)(A), the excess (if any) of \$600
5 over the aggregate credits allowed under this
6 section with respect to such components for all
7 prior taxable years ending after December 31,
8 2021,

9 “(B) for components described in sub-
10 section (c)(3)(B)—

11 “(i) in the case of components which
12 are not described in clause (ii), the excess
13 (if any) of \$200 over the aggregate credits
14 allowed under this section with respect to
15 such components for all prior taxable years
16 ending after December 31, 2021, and

17 “(ii) in the case of components which
18 meet the standards for most efficient cer-
19 tification under applicable Energy Star
20 program requirements, the excess (if any)
21 of \$600 over the aggregate credits allowed
22 under this section with respect to such
23 components for all prior taxable years end-
24 ing after December 31, 2021, or with re-

1 spect to components described in clause (i)
2 for such taxable year, and

3 “(C) for components described in sub-
4 section (c)(3)(C) by any taxpayer for any tax-
5 able year, the credit allowed under this section
6 with respect to such amounts for such year
7 shall not exceed the lesser of—

8 “(i) the excess (if any) of \$500 over
9 the aggregate credits allowed under this
10 section with respect to such amounts for
11 all prior taxable years ending after Decem-
12 ber 31, 2021, or

13 “(ii) \$250 for each exterior door.

14 “(3) LIMITATION ON RESIDENTIAL ENERGY
15 PROPERTY EXPENDITURES.—The credit allowed
16 under this section by reason of subsection (a)(2)
17 shall not, with respect to an item of property, ex-
18 ceed—

19 “(A) in the case of property described in
20 subparagraph (A), (B), or (C) of subsection
21 (d)(3), \$600,

22 “(B) for the case of property described in
23 subparagraph (D) of subsection (d)(3), \$400,

24 “(C) in the case of a hot water boiler,
25 \$600, and

1 “(D) in the case of a furnace, an amount
2 equal to the sum of—

3 “(i) \$300, plus

4 “(ii) if the taxpayer is converting
5 from a non-condensing furnace to a con-
6 densing furnace, \$300.”.

7 (e) STANDARDS FOR ENERGY EFFICIENT BUILDING
8 ENVELOPE COMPONENTS.—Section 25C(c)(2) is amended
9 by striking “meets—” and all that follows through the pe-
10 riod at the end and inserting the following: “meets—

11 “(A) in the case of an exterior window, a
12 skylight, or an exterior door, applicable Energy
13 Star program requirements, and

14 “(B) in the case of any other component,
15 the prescriptive criteria for such component es-
16 tablished by the 2018 IECC (as such term is
17 defined in section 45L(b)(5)).”.

18 (f) ROOFS NOT BUILDING ENVELOPE COMPO-
19 NENTS.—Section 25C(c)(3) is amended by adding “and”
20 at the end of subparagraph (B), by striking “, and” at
21 the end of subparagraph (C) and inserting a period, and
22 by striking subparagraph (D).

23 (g) ADVANCED MAIN AIR CIRCULATING FANS NOT
24 QUALIFIED ENERGY PROPERTY.—

1 (1) IN GENERAL.—Section 25C(d)(2)(A) is
 2 amended by adding “or” at the end of clause (i), by
 3 striking “, or” at the end of clause (ii) and inserting
 4 a period, and by striking clause (iii).

5 (2) CONFORMING AMENDMENT.—Section
 6 25C(d) is amended by striking paragraph (5).

7 (h) INCREASE IN STANDARD FOR ELECTRIC HEAT
 8 PUMP WATER HEATER.—Section 25C(d)(3)(A) is amend-
 9 ed by striking “an energy factor of at least 2.0” and in-
 10 serting “a uniform energy factor of at least 3.0”.

11 (i) UPDATE OF STANDARDS FOR CERTAIN ENERGY-
 12 EFFICIENT BUILDING PROPERTY.—Section 25C(d)(3) is
 13 amended—

14 (1) by striking “January 1, 2009” each place
 15 such term appears and inserting “January 1, 2021”,
 16 and

17 (2) by striking subparagraph (D) and inserting
 18 the following:

19 “(D) a natural gas, propane, or oil water
 20 heater which, in the standard Department of
 21 Energy test procedure, yields—

22 “(i) in the case of a storage tank
 23 water heater—

1 “(I) in the case of a medium-
 2 draw water heater, a uniform energy
 3 factor of not less than 0.78, and

4 “(II) in the case of a high-draw
 5 water heater, a uniform energy factor
 6 of not less than 0.80, and

7 “(ii) in the case of a tankless water
 8 heater—

9 “(I) in the case of a medium-
 10 draw water heater, a uniform energy
 11 factor of not less than 0.87, and

12 “(II) in the case of a high-draw
 13 water heater, a uniform energy factor
 14 of not less than 0.90.”.

15 (j) INCREASE IN STANDARD FOR FURNACES.—Sec-
 16 tion 25C(d)(4) is amended by striking by striking “not
 17 less than 95.” and inserting the following: “not less
 18 than—

19 “(A) in the case of a furnace, 97 percent,
 20 and

21 “(B) in the case of a hot water boiler, 95
 22 percent.”.

23 (k) HOME ENERGY AUDITS.—

24 (1) IN GENERAL.—Section 25C(a) is amended
 25 by striking “and” at the end of paragraph (1), by

1 striking the period at the end of paragraph (2) and
2 inserting “, and”, and by adding at the end the fol-
3 lowing new paragraph:

4 “(3) 30 percent of the amount paid or incurred
5 by the taxpayer during the taxable year for home en-
6 ergy audits.”.

7 (2) LIMITATION.—Section 25C(b) is amended
8 adding at the end the following new paragraph:

9 “(4) HOME ENERGY AUDITS.—The amount of
10 the credit allowed under this section by reason of
11 subsection (a)(3) shall not exceed \$150.”.

12 (3) HOME ENERGY AUDITS.—Section 25C, as
13 amended by subsections (a), is amended by redesignig-
14 nating subsections (e), (f), and (g), as subsections
15 (f), (g), and (h), respectively, and by inserting after
16 subsection (d) the following new subsection:

17 “(e) HOME ENERGY AUDITS.—For purposes of this
18 section, the term ‘home energy audit’ means an inspection
19 and written report with respect to a dwelling unit located
20 in the United States and owned or used by the taxpayer
21 as the taxpayer’s principal residence (within the meaning
22 of section 121) which—

23 “(1) identifies the most significant and cost-ef-
24 fective energy efficiency improvements with respect
25 to such dwelling unit, including an estimate of the

1 energy and cost savings with respect to each such
 2 improvement, and

3 “(2) is conducted and prepared by a home en-
 4 ergy auditor that meets the certification or other re-
 5 quirements specified by the Secretary (after con-
 6 sultation with the Secretary of Energy, and not later
 7 than 180 days after the date of the enactment of
 8 this subsection) in regulations or other guidance.”.

9 (4) CONFORMING AMENDMENT.—Section
 10 1016(a)(33) is amended by striking “section 25C(f)”
 11 and inserting “section 25C(g)”.

12 (l) EFFECTIVE DATES.—

13 (1) INCREASE AND MODERNIZATION.—Except
 14 as otherwise provided by this subsection, the amend-
 15 ments made by this section shall apply to property
 16 placed in service after December 31, 2021.

17 (2) EXTENSION.—The amendments made by
 18 subsection (a) shall apply to property placed in serv-
 19 ice after December 31, 2021.

20 (3) HOME ENERGY AUDITS.—The amendments
 21 made by subsection (k) shall apply to amounts paid
 22 or incurred after December 31, 2021.

23 **SEC. 302. RESIDENTIAL ENERGY EFFICIENT PROPERTY.**

24 (a) EXTENSION OF CREDIT.—

1 (1) IN GENERAL.—Section 25D(h) is amended
2 by striking “December 31, 2023” and inserting
3 “December 31, 2028”.

4 (2) APPLICATION OF PHASEOUT.—Section
5 25D(g) is amended—

6 (A) by striking “before January 1, 2023”
7 in paragraph (2) and inserting “before January
8 1, 2022”,

9 (B) by striking “and” at the end of para-
10 graph (2),

11 (C) by redesignating paragraph (3) as
12 paragraph (5) and by inserting after paragraph
13 (2) the following new paragraphs:

14 “(3) in the case of property placed in service
15 after December 31, 2021, and before January 1,
16 2027, 30 percent,

17 “(4) in the case of property placed in service
18 after December 31, 2026, and before January 1,
19 2028, 26 percent, and”, and

20 (D) by striking “December 31, 2022, and
21 before January 1, 2024” in paragraph (5) (as
22 so redesignated) and inserting “December 31,
23 2027, and before January 1, 2029”.

24 (b) RESIDENTIAL ENERGY EFFICIENT PROPERTY
25 CREDIT FOR BATTERY STORAGE TECHNOLOGY.—

1 (1) IN GENERAL.—Section 25D(a) is amended
2 by striking “and” at the end of paragraph (5) and
3 by inserting after paragraph (6) the following new
4 paragraph:

5 “(7) the qualified battery storage technology ex-
6 penditures,”.

7 (2) QUALIFIED BATTERY STORAGE TECH-
8 NOLOGY EXPENDITURE.—Section 25D(d) is amend-
9 ed by adding at the end the following new para-
10 graph:

11 “(7) QUALIFIED BATTERY STORAGE TECH-
12 NOLOGY EXPENDITURE.—The term ‘qualified bat-
13 tery storage technology expenditure’ means an ex-
14 penditure for battery storage technology which—

15 “(A) is installed in connection with a
16 dwelling unit located in the United States and
17 used as a residence by the taxpayer, and

18 “(B) has a capacity of not less than 3 kilo-
19 watt hours.”.

20 (c) EFFECTIVE DATE.—The amendments made by
21 this section shall apply to expenditures made after the
22 date of the enactment of this Act.

1 **SEC. 303. ENERGY EFFICIENT COMMERCIAL BUILDINGS DE-**
 2 **DUCTION.**

3 (a) INCREASE IN THE MAXIMUM AMOUNT OF DE-
 4 Duction.—

5 (1) IN GENERAL.—Section 179D(b) is amended
 6 by striking “\$1.80” and inserting “\$3”.

7 (2) CONFORMING AMENDMENT.—Section
 8 179D(d)(1)(A) is amended by striking “by sub-
 9 stituting ‘\$.60’ for ‘\$1.80’” and inserting “by sub-
 10 stituting ‘\$1’ for ‘\$3’”.

11 (b) LIMIT ON DEDUCTION LIMITED TO THREE-YEAR
 12 PERIOD.—Section 179D(b)(2) is amended by striking “for
 13 all prior taxable years” and inserting “for the 3 years im-
 14 mediately preceding such taxable year”.

15 (c) CHANGE IN EFFICIENCY STANDARDS.—Section
 16 179D(c)(1)(D) is amended by striking “50” and inserting
 17 “30”.

18 (d) DEADWOOD.—Section 179D is amended by strik-
 19 ing subsection (f) and redesignating subsections (g) and
 20 (h) as subsections (f) and (g), respectively.

21 (e) EFFECTIVE DATE.—The amendments made by
 22 this section shall apply to property placed in service after
 23 December 31, 2021.

1 **SEC. 304. EXTENSION, INCREASE, AND MODIFICATIONS OF**
2 **NEW ENERGY EFFICIENT HOME CREDIT.**

3 (a) EXTENSION OF CREDIT.—Section 45L(g) is
4 amended by striking “December 31, 2021” and inserting
5 “December 31, 2026”.

6 (b) INCREASE IN CREDIT FOR CERTAIN DWELLING
7 UNITS.—Section 45L(a)(2)(A) is amended by striking
8 “\$2,000” and inserting “\$2,500”.

9 (c) INCREASE IN STANDARD FOR HEATING AND
10 COOLING REDUCTION FOR CERTAIN UNITS.—Section
11 45L(c)(1) is amended by striking “50 percent” each place
12 such term appears and inserting “60 percent”.

13 (d) ENERGY SAVING REQUIREMENTS MODIFICA-
14 TIONS.—

15 (1) ALL ENERGY STAR LABELED HOMES ELIGI-
16 BLE; NO REDUCTION IN STANDARD.—Section 45L(c)
17 is amended by amending paragraph (3) to read as
18 follows:

19 “(3) a unit which meets the requirements estab-
20 lished by the Administrator of the Environmental
21 Protection Agency under the Energy Star Labeled
22 Homes program and, in the case of a manufactured
23 home, which conforms to Federal Manufactured
24 Home Construction and Safety Standards (part
25 3280 of title 24, Code of Federal Regulations).”.

1 (2) UNITS CONSTRUCTED IN ACCORDANCE
2 WITH 2018 IECC STANDARDS.—Section 45L(c), as
3 amended by paragraph (1), is further amended by
4 striking “or” at the end of paragraph (2), by strik-
5 ing the period at the end of paragraph (3) and in-
6 serting “, or”, and by adding at the end the fol-
7 lowing new paragraph:

8 “(4) certified—

9 “(A) to have a level of annual energy con-
10 sumption which is at least 15 percent below the
11 annual level of energy consumption of a com-
12 parable dwelling unit—

13 “(i) which is constructed in accord-
14 ance with the standards of chapter 4 of the
15 2018 IECC (without taking into account
16 on-site energy generation), and

17 “(ii) which meets the requirements de-
18 scribed in paragraph (1)(A)(ii), and

19 “(B) to have building envelope component
20 improvements account for at least 1/5 of such
21 15 percent.”.

22 (3) CONFORMING AMENDMENTS.—

23 (A) Section 45L(c)(2) is amended by in-
24 serting “or (4)” after “paragraph (1)”.

1 (B) Section 45L(a)(2)(A) is amended by
 2 striking “or (2)” and inserting “, (2), or (4)”.

3 (C) Section 45L(b) is amended by adding
 4 at the end the following:

5 “(5) 2018 IECC.—The term ‘2018 IECC’
 6 means the 2018 International Energy Conservation
 7 Code, as such Code (including supplements) is in ef-
 8 fect on November 1, 2018.”.

9 (e) EFFECTIVE DATES.—The amendments made by
 10 this section shall apply to dwelling units acquired after
 11 December 31, 2021.

12 **SEC. 305. MODIFICATIONS TO INCOME EXCLUSION FOR**
 13 **CONSERVATION SUBSIDIES.**

14 (a) IN GENERAL.—Section 136(a) is amended—

15 (1) by striking “any subsidy provided” and in-
 16 serting “any subsidy—

17 “(1) provided”,

18 (2) by striking the period at the end and insert-
 19 ing a comma, and

20 (3) by adding at the end the following new
 21 paragraphs:

22 “(2) provided (directly or indirectly) by a public
 23 utility to a customer, or by a State or local govern-
 24 ment to a resident of such State or locality, for the

1 purchase or installation of any water conservation or
 2 efficiency measure,

3 “(3) provided (directly or indirectly) by a storm
 4 water management provider to a customer, or by a
 5 State or local government to a resident of such State
 6 or locality, for the purchase or installation of any
 7 storm water management measure, or

8 “(4) provided (directly or indirectly) by a State
 9 or local government to a resident of such State or
 10 locality for the purchase or installation of any waste-
 11 water management measure, but only if such meas-
 12 ure is with respect to the taxpayer’s principal resi-
 13 dence.”.

14 (b) CONFORMING AMENDMENTS.—

15 (1) DEFINITION OF WATER CONSERVATION OR
 16 EFFICIENCY MEASURE AND STORM WATER MANAGE-
 17 MENT MEASURE.—Section 136(c) is amended—

18 (A) by striking “ENERGY CONSERVATION
 19 MEASURE” in the heading thereof and inserting
 20 “DEFINITIONS”,

21 (B) by striking “IN GENERAL” in the
 22 heading of paragraph (1) and inserting “EN-
 23 ERGY CONSERVATION MEASURE”, and

1 (C) by redesignating paragraph (2) as
2 paragraph (5) and by inserting after paragraph
3 (1) the following:

4 “(2) WATER CONSERVATION OR EFFICIENCY
5 MEASURE.—For purposes of this section, the term
6 ‘water conservation or efficiency measure’ means any
7 evaluation of water use, or any installation or modi-
8 fication of property, the primary purpose of which is
9 to reduce consumption of water or to improve the
10 management of water demand with respect to one or
11 more dwelling units.

12 “(3) STORM WATER MANAGEMENT MEASURE.—
13 For purposes of this section, the term ‘storm water
14 management measure’ means any installation or
15 modification of property primarily designed to re-
16 duce or manage amounts of storm water with re-
17 spect to one or more dwelling units.

18 “(4) WASTEWATER MANAGEMENT MEASURE.—
19 For purposes of this section, the term ‘wastewater
20 management measure’ means any installation or
21 modification of property primarily designed to man-
22 age wastewater (including septic tanks and cess-
23 pools) with respect to one or more dwelling units.”.

24 (2) DEFINITION OF PUBLIC UTILITY.—Section
25 136(c)(5) (as redesignated by paragraph (1)(C)) is

1 amended by striking subparagraph (B) and inserting
2 the following:

3 “(B) PUBLIC UTILITY.—The term ‘public
4 utility’ means a person engaged in the sale of
5 electricity, natural gas, or water to residential,
6 commercial, or industrial customers for use by
7 such customers.

8 “(C) STORM WATER MANAGEMENT PRO-
9 VIDER.—The term ‘storm water management
10 provider’ means a person engaged in the provi-
11 sion of storm water management measures to
12 the public.

13 “(D) PERSON.—For purposes of subpara-
14 graphs (B) and (C), the term ‘person’ includes
15 the Federal Government, a State or local gov-
16 ernment or any political subdivision thereof, or
17 any instrumentality of any of the foregoing.”.

18 (3) CLERICAL AMENDMENTS.—

19 (A) The heading for section 136 is amend-
20 ed—

21 (i) by inserting “**AND WATER**” after
22 “**ENERGY**”, and

23 (ii) by striking “**PROVIDED BY PUB-**
24 **LIC UTILITIES**”.

1 (B) The item relating to section 136 in the
2 table of sections of part III of subchapter B of
3 chapter 1 is amended—

4 (i) by inserting “and water” after
5 “energy”, and

6 (ii) by striking “provided by public
7 utilities”.

8 (c) EFFECTIVE DATE.—The amendments made by
9 this section shall apply to amounts received after Decem-
10 ber 31, 2018.

11 (d) NO INFERENCE.—Nothing in this Act or the
12 amendments made by this Act shall be construed to create
13 any inference with respect to the proper tax treatment of
14 any subsidy received directly or indirectly from a public
15 utility, a storm water management provider, or a State
16 or local government for any water conservation measure
17 or storm water management measure before January 1,
18 2022.

1 **TITLE IV—GREENING THE**
2 **FLEET AND ALTERNATIVE VE-**
3 **HICLES**

4 **SEC. 401. MODIFICATION OF LIMITATIONS ON NEW QUALI-**
5 **FIED PLUG-IN ELECTRIC DRIVE MOTOR VEHI-**
6 **CLE CREDIT.**

7 (a) IN GENERAL.—Section 30D(e) is amended to
8 read as follows:

9 “(e) LIMITATION ON NUMBER OF NEW QUALIFIED
10 PLUG-IN ELECTRIC DRIVE MOTOR VEHICLES ELIGIBLE
11 FOR CREDIT.—

12 “(1) IN GENERAL.—In the case of any new
13 qualified plug-in electric drive motor vehicle sold
14 after the date of the enactment of the GREEN Act
15 of 2021—

16 “(A) if such vehicle is sold during the tran-
17 sition period, the amount determined under
18 subsection (b)(2) shall be reduced by \$500, and

19 “(B) if such vehicle is sold during the
20 phaseout period, only the applicable percentage
21 of the credit otherwise allowable under sub-
22 section (a) shall be allowed.

23 “(2) TRANSITION PERIOD.—For purposes of
24 this subsection, the transition period is the period
25 subsequent to the first date on which the number of

1 new qualified plug-in electric drive motor vehicles
2 manufactured by the manufacturer of the vehicle re-
3 ferred to in paragraph (1) sold for use in the United
4 States after December 31, 2009, is at least 200,000.

5 “(3) PHASEOUT PERIOD.—

6 “(A) IN GENERAL.—For purposes of this
7 subsection, the phaseout period is the period be-
8 ginning with the second calendar quarter fol-
9 lowing the calendar quarter which includes the
10 first date on which the number of new qualified
11 plug-in electric drive motor vehicles manufac-
12 tured by the manufacturer of the vehicle re-
13 ferred to in paragraph (1) sold for use in the
14 United States after December 31, 2009, is at
15 least 600,000.

16 “(B) APPLICABLE PERCENTAGE.—For
17 purposes of paragraph (1)(B), the applicable
18 percentage is—

19 “(i) 50 percent for the first calendar
20 quarter of the phaseout period, and

21 “(ii) 0 percent for each calendar quar-
22 ter thereafter.

23 “(C) EXCLUSION OF SALE OF CERTAIN VE-
24 HICLES.—

1 “(i) IN GENERAL.—For purposes of
2 subparagraph (A), any new qualified plug-
3 in electric drive motor vehicle manufac-
4 tured by the manufacturer of the vehicle
5 referred to in paragraph (1) which was
6 sold during the exclusion period shall not
7 be included for purposes of determining
8 the number of such vehicles sold.

9 “(ii) EXCLUSION PERIOD.—For pur-
10 poses of this subparagraph, the exclusion
11 period is the period—

12 “(I) beginning on the first date
13 on which the number of new qualified
14 plug-in electric drive motor vehicles
15 manufactured by the manufacturer of
16 the vehicle referred to in paragraph
17 (1) sold for use in the United States
18 after December 31, 2009, is at least
19 200,000, and

20 “(II) ending on the date of the
21 enactment of the GREEN Act of
22 2021.

23 “(4) CONTROLLED GROUPS.—Rules similar to
24 the rules of section 30B(f)(4) shall apply for pur-
25 poses of this subsection.”.

1 (b) EXTENSION FOR 2- AND 3-WHEELED PLUG-IN
 2 ELECTRIC VEHICLES.—Section 30D(g)(3)(E) is amended
 3 to read as follows:

4 “(E) is acquired after December 31, 2021,
 5 and before January 1, 2027.”.

6 (c) EFFECTIVE DATE.—

7 (1) LIMITATION.—The amendment made by
 8 subsection (a) shall apply to vehicles sold after the
 9 date of the enactment of this Act.

10 (2) EXTENSION.—The amendment made by
 11 subsection (b) shall apply to vehicles sold after De-
 12 cember 31, 2021.

13 **SEC. 402. CREDIT FOR PREVIOUSLY-OWNED QUALIFIED**
 14 **PLUG-IN ELECTRIC DRIVE MOTOR VEHICLES.**

15 (a) IN GENERAL.—Subpart C of part IV of sub-
 16 chapter A of chapter 1 is amended by inserting after sec-
 17 tion 36B the following new section:

18 **“SEC. 36B. PREVIOUSLY-OWNED QUALIFIED PLUG-IN ELEC-**
 19 **TRIC DRIVE MOTOR VEHICLES.**

20 “(a) ALLOWANCE OF CREDIT.—In the case of a
 21 qualified buyer who during a taxable year places in service
 22 a previously-owned qualified plug-in electric drive motor
 23 vehicle, there shall be allowed as a credit against the tax
 24 imposed by this subtitle for the taxable year an amount
 25 equal to the sum of—

1 “(1) \$1,250, plus

2 “(2) in the case of a vehicle which draws pro-
3 pulsion energy from a battery which exceeds 4 kilo-
4 watt hours of capacity (determined at the time of
5 sale), the lesser of—

6 “(A) \$1,250, and

7 “(B) the product of \$208.50 and such ex-
8 cess kilowatt hours.

9 “(b) LIMITATIONS.—

10 “(1) SALE PRICE.—The credit allowed under
11 subsection (a) with respect to sale of a vehicle shall
12 not exceed 30 percent of the sale price.

13 “(2) ADJUSTED GROSS INCOME.—The amount
14 which would (but for this paragraph) be allowed as
15 a credit under subsection (a) shall be reduced (but
16 not below zero) by \$250 for each \$1,000 (or fraction
17 thereof) by which the taxpayer’s adjusted gross in-
18 come exceeds \$30,000 (twice such amount in the
19 case of a joint return).

20 “(c) DEFINITIONS.—For purposes of this section—

21 “(1) PREVIOUSLY-OWNED QUALIFIED PLUG-IN
22 ELECTRIC DRIVE MOTOR VEHICLE.—The term ‘pre-
23 viously-owned qualified plug-in electric drive motor
24 vehicle’ means, with respect to a taxpayer, a motor
25 vehicle—

1 “(A) the model year of which is at least 2
2 earlier than the calendar year in which the tax-
3 payer acquires such vehicle,

4 “(B) the original use of which commences
5 with a person other than the taxpayer,

6 “(C) which is acquired by the taxpayer in
7 a qualified sale,

8 “(D) registered by the taxpayer for oper-
9 ation in a State or possession of the United
10 States, and

11 “(E) which meets the requirements of sub-
12 paragraphs (C), (D), (E), and (F) of section
13 30D(d)(1).

14 “(2) QUALIFIED SALE.—The term ‘qualified
15 sale’ means a sale of a motor vehicle—

16 “(A) by a person who holds such vehicle in
17 inventory (within the meaning of section 471)
18 for sale or lease,

19 “(B) for a sale price of less than \$25,000,
20 and

21 “(C) which is the first transfer since the
22 date of the enactment of this section to a per-
23 son other than the person with whom the origi-
24 nal use of such vehicle commenced.

1 “(3) QUALIFIED BUYER.—The term ‘qualified
2 buyer’ means, with respect to a sale of a motor vehi-
3 cle, a taxpayer—

4 “(A) who is an individual,

5 “(B) who purchases such vehicle for use
6 and not for resale,

7 “(C) with respect to whom no deduction is
8 allowable with respect to another taxpayer
9 under section 151,

10 “(D) who has not been allowed a credit
11 under this section for any sale during the 3-
12 year period ending on the date of the sale of
13 such vehicle, and

14 “(E) who possesses a certificate issued by
15 the seller that certifies—

16 “(i) that the vehicle is a previously-
17 owned qualified plug-in electric drive motor
18 vehicle,

19 “(ii) the capacity of the battery at
20 time of sale, and

21 “(iii) such other information as the
22 Secretary may require.

23 “(4) MOTOR VEHICLE; CAPACITY.—The terms
24 ‘motor vehicle’ and ‘capacity’ have the meaning

1 given such terms in paragraphs (2) and (4) of sec-
 2 tion 30D(d), respectively.

3 “(d) APPLICATION OF CERTAIN RULES.—For pur-
 4 poses of this section, rules similar to the rules of para-
 5 graphs (1), (2), (4), (5), (6) and (7) of section 30D(f)
 6 shall apply for purposes of this section.

7 “(e) CERTIFICATE SUBMISSION REQUIREMENT.—
 8 The Secretary may require that the issuer of the certifi-
 9 cate described in subsection (c)(3)(E) submit such certifi-
 10 cate to the Secretary at the time and in the manner re-
 11 quired by the Secretary.

12 “(f) TERMINATION.—No credit shall be allowed
 13 under this section with respect to sales after December
 14 31, 2026.”.

15 (b) CONFORMING AMENDMENTS.—

16 (1) Section 6211(b)(4)(A) is amended by insert-
 17 ing “36C,” after “36B,”.

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

21 (c) CLERICAL AMENDMENT.—The table of sections
 22 for subpart C of part IV of subchapter A of chapter 1
 23 is amended by inserting after the item relating to section
 24 36B the following new item:

“Sec. 36C. Previously-owned qualified plug-in electric drive motor vehicles.”.

1 (d) EFFECTIVE DATE.—The amendments made by
 2 this section shall apply to sales after the date of the enact-
 3 ment of this Act.

4 **SEC. 403. CREDIT FOR ZERO-EMISSION HEAVY VEHICLES**
 5 **AND ZERO-EMISSION BUSES.**

6 (a) IN GENERAL.—Subpart D of part IV of sub-
 7 chapter A of chapter 1 is amended by adding at the end
 8 the following new section:

9 **“SEC. 45U. ZERO-EMISSION HEAVY VEHICLE CREDIT.**

10 “(a) ALLOWANCE OF CREDIT.—For purposes of sec-
 11 tion 38, in the case of a manufacturer of a zero-emission
 12 heavy vehicle, the zero-emission heavy vehicle credit deter-
 13 mined under this section for a taxable year is an amount
 14 equal to 10 percent of the sum of the sale price of each
 15 zero-emission heavy vehicle sold by such taxpayer during
 16 such taxable year.

17 “(b) LIMITATION.—The sale price of a zero-emission
 18 heavy vehicle may not be taken into account under sub-
 19 section (a) to the extent such price exceeds \$1,000,000.

20 “(c) ZERO-EMISSION HEAVY VEHICLE.—For pur-
 21 poses of this section—

22 “(1) IN GENERAL.—The term ‘zero-emission
 23 heavy vehicle’ means a motor vehicle which—

24 “(A) has a gross vehicle weight rating of
 25 not less than 14,000 pounds,

1 “(B) is not powered or charged by an in-
2 ternal combustion engine, and

3 “(C) is propelled solely by an electric
4 motor which draws electricity from a battery or
5 fuel cell.

6 “(2) MOTOR VEHICLE; MANUFACTURER.—The
7 term ‘motor vehicle’ and ‘manufacturer’ have the
8 meaning given such terms in paragraphs (2) and (3)
9 of section 30D(d), respectively.

10 “(d) SPECIAL RULES.—

11 “(1) SALE PRICE.—For purposes of this sec-
12 tion, the sale price of a zero-emission heavy vehicle
13 shall be reduced by any rebate or other incentive
14 given before, on, or after the date of the sale.

15 “(2) DOMESTIC USE.—No credit shall be al-
16 lowed under subsection (a) with respect to a zero-
17 emission heavy vehicle to a manufacturer who knows
18 or has reason to know that such vehicle will not be
19 used primarily in the United States or a possession
20 of the United States.

21 “(3) REGULATIONS.—The Secretary shall pre-
22 scribe such regulations as may be necessary or ap-
23 propriate to carry out the purposes of this section.

24 “(e) TERMINATION.—This section shall not apply to
25 sales after December 31, 2026.”.

1 (b) CREDIT MADE PART OF GENERAL BUSINESS
2 CREDIT.—Subsection (b) of section 38 is amended by
3 striking “plus” at the end of paragraph (32), by striking
4 the period at the end of paragraph (33) and inserting “,
5 plus”, and by adding at the end the following new para-
6 graph:

7 “(34) the zero-emission heavy vehicle credit de-
8 termined under section 45U.”.

9 (c) CLERICAL AMENDMENT.—The table of sections
10 for subpart D of part IV of subchapter A of chapter 1
11 is amended by adding at the end the following new item:

“Sec. 45U. Zero-emission heavy vehicle credit.”.

12 (d) EFFECTIVE DATE.—The amendments made by
13 this section shall apply to sales after the date of the enact-
14 ment of this Act.

15 **SEC. 404. QUALIFIED FUEL CELL MOTOR VEHICLES.**

16 (a) IN GENERAL.—Section 30B(k)(1) is amended by
17 striking “December 31, 2021” and inserting “December
18 31, 2026”.

19 (b) EFFECTIVE DATE.—The amendment made by
20 this section shall apply to property placed in service after
21 December 31, 2021.

1 **SEC. 405. ALTERNATIVE FUEL REFUELING PROPERTY**
2 **CREDIT.**

3 (a) IN GENERAL.—Section 30C(g) is amended by
4 striking “December 31, 2021” and inserting “December
5 31, 2026”.

6 (b) ADDITIONAL CREDIT FOR CERTAIN ELECTRIC
7 CHARGING PROPERTY.—

8 (1) IN GENERAL.—Section 30C(a) is amend-
9 ed—

10 (A) by striking “equal to 30 percent” and
11 inserting the following: “equal to the sum of—
12 “(1) 30 percent”,

13 (B) by striking the period at the end and
14 inserting “, plus”, and

15 (C) by adding at the end the following new
16 paragraph:

17 “(2) 20 percent of so much of such cost as ex-
18 ceeds the limitation under subsection (b)(1) that
19 does not exceed the amount of cost attributable to
20 qualified alternative vehicle refueling property (de-
21 termined without regard to subsection (c)(1) and as
22 if only electricity, and fuel at least 85 percent of the
23 volume of which consists of hydrogen, were treated
24 as clean-burning fuels for purposes of section
25 179A(d)) which—

1 “(A) is intended for general public use
2 with no associated fee or payment arrangement,

3 “(B) is intended for general public use and
4 accepts payment via a credit card reader, or

5 “(C) is intended for use exclusively by
6 fleets of commercial or governmental vehicles.”.

7 (2) CONFORMING AMENDMENT.—Section
8 30C(b) is amended—

9 (A) by striking “The credit allowed under
10 subsection (a)” and inserting “The amount of
11 cost taken into account under subsection
12 (a)(1)”,

13 (B) by striking “\$30,000” and inserting
14 “\$100,000”, and

15 (C) by striking “\$1,000” and inserting
16 “\$3,333.33”.

17 (c) EFFECTIVE DATE.—The amendment made by
18 this section shall apply to property placed in service after
19 December 31, 2021.

20 **SEC. 406. MODIFICATION OF EMPLOYER-PROVIDED FRINGE**
21 **BENEFITS FOR BICYCLE COMMUTING.**

22 (a) REPEAL OF SUSPENSION OF EXCLUSION FOR
23 QUALIFIED BICYCLE COMMUTING REIMBURSEMENT.—
24 Section 132(f) is amended by striking paragraph (8).

25 (b) COMMUTING FRINGE INCLUDES BIKESHARE.—

1 (1) IN GENERAL.—Clause (i) of section
 2 132(f)(5)(F) is amended by striking “a bicycle” and
 3 all that follows and inserting “bikeshare, a bicycle,
 4 and bicycle improvements, repair, and storage, if the
 5 employee regularly uses such bikeshare or bicycle for
 6 travel between the employee’s residence and place of
 7 employment or mass transit facility that connects an
 8 employee to their place of employment.”.

9 (2) BIKESHARE.—Section 132(f)(5)(F) is
 10 amended by adding at the end the following:

11 “(iv) BIKESHARE.—The term
 12 ‘bikeshare’ means a bicycle rental oper-
 13 ation at which bicycles are made available
 14 to customers to pick up and drop off for
 15 point-to-point use within a defined geo-
 16 graphic area.”.

17 (c) LOW-SPEED ELECTRIC BICYCLES.—Section
 18 132(f)(5)(F), as amended by subsection (b)(2), is amend-
 19 ed by adding at the end the following:

20 “(v) LOW-SPEED ELECTRIC BICY-
 21 CLES.—The term ‘bicycle’ includes a two-
 22 or three-wheeled vehicle with fully operable
 23 pedals and an electric motor of less than
 24 750 watts (1 h.p.), whose maximum speed
 25 on a paved level surface, when powered

1 solely by such a motor while ridden by an
2 operator who weighs 170 pounds, is less
3 than 20 mph.”.

4 (d) MODIFICATION RELATING TO BICYCLE COM-
5 MUTING MONTH.—Clause (iii) of section 132(f)(5)(F) is
6 amended to read as follows:

7 “(iii) QUALIFIED BICYCLE COM-
8 MUTING MONTH.—The term ‘qualified bi-
9 cycle commuting month’ means, with re-
10 spect to any employee, any month during
11 which such employee regularly uses a bicy-
12 cle for a portion of the travel between the
13 employee’s residence and place of employ-
14 ment.”.

15 (e) LIMITATION ON EXCLUSION.—

16 (1) IN GENERAL.—Subparagraph (C) of section
17 132(f)(2) is amended by striking “applicable annual
18 limitation” and inserting “applicable monthly limita-
19 tion”.

20 (2) APPLICABLE MONTHLY LIMITATION DE-
21 FINED.—Clause (ii) of section 132(f)(5)(F) is
22 amended to read as follows:

23 “(ii) APPLICABLE MONTHLY LIMITA-
24 TION.—The term ‘applicable monthly limi-
25 tation’, with respect to any employee for

1 any month, means an amount equal to 20
 2 percent of the dollar amount in effect for
 3 the month under paragraph (2)(B).”.

4 (3) AGGREGATE LIMITATION.—Subparagraph
 5 (B) of section 132(f)(2) is amended by inserting
 6 “and the applicable monthly limitation in the case of
 7 any qualified bicycle commuting benefit”.

8 (f) NO CONSTRUCTIVE RECEIPT.—Paragraph (4) of
 9 section 132(f) is amended by striking “(other than a quali-
 10 fied bicycle commuting reimbursement)”.

11 (g) CONFORMING AMENDMENTS.—Paragraphs
 12 (1)(D), (2)(C), and (5)(F) of section 132(f) are each
 13 amended by striking “reimbursement” each place it ap-
 14 pears and inserting “benefit”.

15 (h) EFFECTIVE DATE.—The amendments made by
 16 this section shall apply to taxable years beginning after
 17 December 31, 2021.

18 **TITLE V—INVESTMENT IN THE** 19 **GREEN WORKFORCE**

20 **SEC. 501. EXTENSION OF THE ADVANCED ENERGY** 21 **PROJECT CREDIT.**

22 (a) IN GENERAL.—Section 48C is amended by redес-
 23 ignating subsection (e) as subsection (f) and by inserting
 24 after subsection (d) the following new subsection:

25 “(e) ADDITIONAL ALLOCATIONS.—

1 “(1) IN GENERAL.—Not later than 180 days
2 after the date of enactment of this paragraph, the
3 Secretary, after consultation with the Secretary of
4 Energy, shall establish a program to designate
5 amounts of qualifying advanced project credit limita-
6 tion to qualifying advanced energy projects.

7 “(2) ANNUAL LIMITATION.—

8 “(A) IN GENERAL.—The amount of quali-
9 fying advanced project credit limitation that
10 may be designated under this subsection during
11 any calendar year shall not exceed the annual
12 credit limitation with respect to such year.

13 “(B) ANNUAL CREDIT LIMITATION.—For
14 purposes of this subsection, the term ‘annual
15 credit limitation’ means \$2,500,000,000 for
16 each of calendar years 2022, 2023, 2024, 2025,
17 and 2026, and zero thereafter.

18 “(C) CARRYOVER OF UNUSED LIMITA-
19 TION.—If the annual credit limitation for any
20 calendar year exceeds the aggregate amount
21 designated for such year under this subsection,
22 such limitation for the succeeding calendar year
23 shall be increased by the amount of such excess.
24 No amount may be carried under the preceding
25 sentence to any calendar year after 2026.

1 “(3) PLACED IN SERVICE DEADLINE.—No cred-
2 it shall be determined under subsection (a) with re-
3 spect to any property which is placed in service after
4 the date that is 4 years after the date of the des-
5 ignation under this subsection relating to such prop-
6 erty.

7 “(4) SELECTION CRITERIA.—Selection criteria
8 similar to those in subsection (d)(3) shall apply, ex-
9 cept that in determining designations under this
10 subsection, the Secretary, after consultation with the
11 Secretary of Energy, shall—

12 “(A) require that applicants provide writ-
13 ten assurances to the Secretary that all laborers
14 and mechanics employed by contractors and
15 subcontractors in the performance of construc-
16 tion, alteration or repair work on a qualifying
17 advanced energy project shall be paid wages at
18 rates not less than those prevailing on projects
19 of a similar character in the locality as deter-
20 mined by the Secretary of Labor in accordance
21 with subchapter IV of chapter 31 of title 40,
22 United States Code, and

23 “(B) give the highest priority to projects
24 which—

1 “(i) manufacture (other than pri-
 2 marily assembly of components) property
 3 described in a subclause of subsection
 4 (c)(1)(A)(i) (or components thereof), and

5 “(ii) have the greatest potential for
 6 commercial deployment of new applica-
 7 tions.

8 “(5) DISCLOSURE OF DESIGNATIONS.—Rules
 9 similar to the rules of subsection (d)(5) shall apply
 10 for purposes of this subsection.”.

11 (b) CLARIFICATION WITH RESPECT TO
 12 ELECTROCHROMATIC GLASS.—Section 48C(c)(1)(A)(i)(V)
 13 is amended—

14 (1) by striking “and smart grid” and inserting
 15 “, smart grid”, and

16 (2) by inserting “, and electrochromatic glass”
 17 before the comma at the end.

18 (c) EFFECTIVE DATE.—The amendment made by
 19 this section shall take effect on the date of the enactment
 20 of this Act.

21 (d) PROGRESS REPORT.—During the 30-day period
 22 ending on December 31, 2026, the Secretary of the Treas-
 23 ury (or the Secretary’s delegate), after consultation with
 24 the Secretary of Labor, shall submit a report to Congress
 25 on the domestic job creation, wages associated with such

1 jobs, and the amount of such wages paid as described in
2 section 48C(e)(4)(B) of the Internal Revenue Code of
3 1986, attributable to the amendment made by this section.

4 **SEC. 502. LABOR COSTS OF INSTALLING MECHANICAL IN-**
5 **SULATION PROPERTY.**

6 (a) IN GENERAL.—Subpart D of part IV of sub-
7 chapter A of chapter 1, as amended by the preceding pro-
8 visions of this Act, is further amended by adding at the
9 end the following new section:

10 **“SEC. 45V. LABOR COSTS OF INSTALLING MECHANICAL IN-**
11 **SULATION PROPERTY.**

12 “(a) IN GENERAL.—For purposes of section 38, the
13 mechanical insulation labor costs credit determined under
14 this section for any taxable year is an amount equal to
15 10 percent of the mechanical insulation labor costs paid
16 or incurred by the taxpayer during such taxable year.

17 “(b) MECHANICAL INSULATION LABOR COSTS.—For
18 purposes of this section—

19 “(1) IN GENERAL.—The term ‘mechanical insu-
20 lation labor costs’ means the labor cost of installing
21 mechanical insulation property with respect to a me-
22 chanical system referred to in paragraph (2)(A)
23 which was originally placed in service not less than
24 1 year before the date on which such mechanical in-
25 sulation property is installed.

1 “(2) MECHANICAL INSULATION PROPERTY.—

2 The term ‘mechanical insulation property’ means in-
3 sulation materials, and facings and accessory prod-
4 ucts installed in connection to such insulation mate-
5 rials—

6 “(A) placed in service in connection with a
7 mechanical system which—

8 “(i) is located in the United States,
9 and

10 “(ii) is of a character subject to an al-
11 lowance for depreciation, and

12 “(B) which result in a reduction in energy
13 loss from the mechanical system which is great-
14 er than the expected reduction from the instal-
15 lation of insulation materials which meet the
16 minimum requirements of Reference Standard
17 90.1 (as defined in section 179D(c)(2)).

18 “(c) TERMINATION.—This section shall not apply to
19 mechanical insulation labor costs paid or incurred after
20 December 31, 2026.”.

21 (b) CREDIT ALLOWED AS PART OF GENERAL BUSI-
22 NESS CREDIT.—Section 38(b), as amended by the pre-
23 ceding provisions of this Act, is further amended by strik-
24 ing “plus” at the end of paragraph (33), by striking the

1 period at the end of paragraph (34) and inserting “, plus”,
 2 and by adding at the end the following new paragraph:

3 “(35) the mechanical insulation labor costs
 4 credit determined under section 45V(a).”.

5 (c) CONFORMING AMENDMENTS.—

6 (1) Section 280C is amended by adding at the
 7 end the following new subsection:

8 “(i) MECHANICAL INSULATION LABOR COSTS CRED-
 9 IT.—

10 “(1) IN GENERAL.—No deduction shall be al-
 11 lowed for that portion of the mechanical insulation
 12 labor costs (as defined in section 45V(b)) otherwise
 13 allowable as deduction for the taxable year which is
 14 equal to the amount of the credit determined for
 15 such taxable year under section 45V(a).

16 “(2) SIMILAR RULE WHERE TAXPAYER CAP-
 17 ITALIZES RATHER THAN DEDUCTS EXPENSES.—If—

18 “(A) the amount of the credit determined
 19 for the taxable year under section 45V(a), ex-
 20 ceeds

21 “(B) the amount of allowable as a deduc-
 22 tion for such taxable year for mechanical insu-
 23 lation labor costs (determined without regard to
 24 paragraph (1)),

1 the amount chargeable to capital account for the
 2 taxable year for such costs shall be reduced by the
 3 amount of such excess.”.

4 (2) The table of sections for subpart D of part
 5 IV of subchapter A of chapter 1, as amended by the
 6 preceding provisions of this Act, is further amended
 7 by adding at the end the following new item:

“Sec. 45V. Labor costs of installing mechanical insulation property.”.

8 (d) EFFECTIVE DATE.—The amendments made by
 9 this section shall apply to amounts paid or incurred after
 10 December 31, 2021, in taxable years ending after such
 11 date.

12 **SEC. 503. LABOR STANDARDS FOR CERTAIN ENERGY JOBS.**

13 (a) DEPARTMENT OF LABOR CERTIFICATION OF
 14 QUALIFIED ENTITIES.—

15 (1) DEFINITIONS.—In this subsection—

16 (A) APPLICABLE CONSTRUCTION
 17 PROJECT.—The term “applicable construction
 18 project” means, with respect to any entity—

19 (i) the installation of any qualified al-
 20 ternative fuel vehicle refueling property (as
 21 defined in section 30C(c) of the Internal
 22 Revenue Code of 1986),

23 (ii) the installation of any qualified
 24 energy property described in section
 25 48D(a)(1) of such Code,

1 (iii) the installation of any qualified
2 property referred to in paragraph (2) of
3 section 48D(a) of such Code as part of any
4 qualified investment credit facility de-
5 scribed in such paragraph, and

6 (iv) the installation of any energy effi-
7 cient commercial building property (as de-
8 fined in section 179D(c)(1) of such Code).

9 (B) COVERED PROJECT LABOR AGREE-
10 MENT.—The term “covered project labor agree-
11 ment” means a project labor agreement that—

12 (i) binds all contractors and sub-
13 contractors on the construction project
14 through the inclusion of appropriate speci-
15 fications in all relevant solicitation provi-
16 sions and contract documents,

17 (ii) allows all contractors and sub-
18 contractors to compete for contracts and
19 subcontracts without regard to whether
20 they are otherwise a party to a collective
21 bargaining agreement,

22 (iii) contains guarantees against
23 strikes, lockouts, and other similar job dis-
24 ruptions,

(iv) sets forth effective, prompt, and mutually binding procedures for resolving labor disputes arising during the covered project labor agreement, and

(v) provides other mechanisms for labor-management cooperation on matters of mutual interest and concern, including productivity, quality of work, safety, and health.

(C) PROJECT LABOR AGREEMENT.—The term “project labor agreement” means a pre-hire collective bargaining agreement with one or more labor organizations that establishes the terms and conditions of employment for a specific construction project and is described in section 8(f) of the National Labor Relations Act (29 U.S.C. 158(f)).

(D) INSTALLATION INCLUDES ON-SITE CONSTRUCTION.—Any reference in this subsection to the installation of any property shall include the construction of such property if such construction is performed on the site where such property is installed.

(E) QUALIFIED ENTITY.—The term “qualified entity” means an entity that the Sec-

1 retary of Labor certifies as a qualified entity in
2 accordance with paragraph (2).

3 (F) REGISTERED APPRENTICESHIP PRO-
4 GRAM.—The term “registered apprenticeship
5 program” means an apprenticeship program
6 registered under the Act of August 16, 1937
7 (commonly known as the “National Apprentice-
8 ship Act”; 50 Stat. 664, chapter 663; 29
9 U.S.C. 50 et seq.), including any requirement,
10 standard, or rule promulgated under such Act,
11 as such requirement, standard, or rule was in
12 effect on December 30, 2019.

13 (2) CERTIFICATION OF QUALIFIED ENTITIES.—

14 (A) IN GENERAL.—The Secretary of Labor
15 shall establish a process for certifying entities
16 that submit an application under subparagraph
17 (B) as qualified entities with respect to applica-
18 ble construction projects for purposes of the
19 amendments made by subsections (b), (c), and
20 (d).

21 (B) APPLICATION PROCESS.—

22 (i) IN GENERAL.—An entity seeking
23 certification as a qualified entity under this
24 paragraph shall submit an application to
25 the Secretary of Labor at such time, in

1 such manner, and containing such infor-
2 mation as the Secretary may reasonably
3 require, including information to dem-
4 onstrate compliance with the requirements
5 under subparagraph (C).

6 (ii) REQUESTS FOR ADDITIONAL IN-
7 FORMATION.—Not later than 1 year after
8 receiving an application from an entity
9 under clause (i)—

10 (I) the Secretary of Labor may
11 request additional information from
12 the entity in order to determine
13 whether the entity is in compliance
14 with the requirements under subpara-
15 graph (C), and

16 (II) the entity shall provide such
17 additional information.

18 (iii) DETERMINATION DEADLINE.—
19 The Secretary of Labor shall make a de-
20 termination on whether to certify an entity
21 under this subsection not later than—

22 (I) in a case in which the Sec-
23 retary requests additional information
24 described in paragraph (2)(B)(ii), 1
25 year after the Secretary receives such

1 additional information from the enti-
2 ty, or

3 (II) in a case that is not de-
4 scribed in subclause (I), 1 year after
5 the date on which the entity submits
6 the application under clause (i).

7 (iv) PRECERTIFICATION REMEDIES.—

8 The Secretary shall consider any corrective
9 actions taken by an entity seeking certifi-
10 cation under this paragraph to remedy an
11 administrative merits determination, arbi-
12 tral award or decision, or civil judgment
13 identified under subparagraph (C)(iii) and
14 shall impose as a condition of certification
15 any additional remedies necessary to avoid
16 further or repeated violations.

17 (C) LABOR STANDARDS REQUIREMENTS.—

18 The Secretary of Labor shall require an entity,
19 as a condition of certification under this sub-
20 section, to satisfy each of the following require-
21 ments:

22 (i) The entity shall ensure that all la-
23 borers and mechanics employed by contrac-
24 tors and subcontractors in the performance
25 of any applicable construction project shall

1 be paid wages at rates not less than those
2 prevailing on projects of a similar char-
3 acter in the locality as determined by the
4 Secretary of Labor in accordance with sub-
5 chapter IV of chapter 31 of title 40,
6 United States Code (commonly known as
7 the “Davis-Bacon Act”).

8 (ii) In the case of any applicable con-
9 struction project the cost of which exceeds
10 \$25,000,000, the entity shall be a party to,
11 or require contractors and subcontractors
12 in the performance of such applicable con-
13 struction project to consent to, a covered
14 project labor agreement.

15 (iii) The entity, and all contractors
16 and subcontractors in performance of any
17 applicable construction project, shall rep-
18 resent in the application submitted under
19 subparagraph (B) (and periodically there-
20 after during the performance of the appli-
21 cable construction project as the Secretary
22 of Labor may require) whether there has
23 been any administrative merits determina-
24 tion, arbitral award or decision, or civil
25 judgment, as defined in guidance issued by

1 the Secretary of Labor, rendered against
2 the entity in the preceding 3 years (or, in
3 the case of disclosures after the initial dis-
4 closure, during such period as the Sec-
5 retary of Labor may provide) for violations
6 of—

7 (I) the Fair Labor Standards Act
8 of 1938 (29 U.S.C. 201 et seq.),

9 (II) the Occupational Safety and
10 Health Act of 1970 (29 U.S.C. 651 et
11 seq.),

12 (III) the Migrant and Seasonal
13 Agricultural Worker Protection Act
14 (29 U.S.C. 1801 et seq.),

15 (IV) the National Labor Rela-
16 tions Act (29 U.S.C. 151 et seq.),

17 (V) subchapter IV of chapter 31
18 of title 40, United States Code (com-
19 monly known as the “Davis-Bacon
20 Act”),

21 (VI) chapter 67 of title 41,
22 United States Code (commonly known
23 as the “Service Contract Act”),

1 (VII) Executive Order No. 11246
2 (42 U.S.C. 2000e note; relating to
3 equal employment opportunity),

4 (VIII) section 503 of the Reha-
5 bilitation Act of 1973 (29 U.S.C.
6 793),

7 (IX) section 4212 of title 38,
8 United States Code,

9 (X) the Family and Medical
10 Leave Act of 1993 (29 U.S.C. 2601 et
11 seq.),

12 (XI) title VII of the Civil Rights
13 Act of 1964 (42 U.S.C. 2000e et
14 seq.),

15 (XII) the Americans with Dis-
16 abilities Act of 1990 (42 U.S.C.
17 12101 et seq.),

18 (XIII) the Age Discrimination in
19 Employment Act of 1967 (29 U.S.C.
20 621 et seq.),

21 (XIV) Federal Government
22 standards establishing a minimum
23 wage for contractors, or

1 (XV) equivalent State laws, as
2 defined in guidance issued by the Sec-
3 retary of Labor.

4 (iv) The entity, and all contractors
5 and subcontractors in the performance of
6 any applicable construction project, shall
7 not require mandatory arbitration for any
8 dispute involving a worker engaged in a
9 service for the entity unless such worker is
10 covered by a collective bargaining agree-
11 ment that provides otherwise.

12 (v) The entity, and all contractors and
13 subcontractors in the performance of any
14 applicable construction project, shall con-
15 sider an individual performing any service
16 in such performance as an employee (and
17 not an independent contractor) of the enti-
18 ty, contractor, or subcontractor, respec-
19 tively, unless—

20 (I) the individual is free from
21 control and direction in connection
22 with the performance of the service,
23 both under the contract for the per-
24 formance of the service and in fact,

1 (II) the service is performed out-
2 side the usual course of the business
3 of the entity, contractor, or subcon-
4 tractor, respectively, and

5 (III) the individual is customarily
6 engaged in an independently estab-
7 lished trade, occupation, profession, or
8 business of the same nature as that
9 involved in such service.

10 (vi) The entity shall prohibit all con-
11 tractors and subcontractors in the per-
12 formance of any applicable construction
13 project from hiring employees through a
14 temporary staffing agency unless the rel-
15 evant State workforce agency certifies that
16 temporary employees are necessary to ad-
17 dress an acute, short-term labor demand.

18 (vii) The entity shall require all con-
19 tractors, subcontractors, successors in in-
20 terest of the entity, and other entities that
21 may acquire the entity, in the performance
22 or acquisition of any applicable construc-
23 tion project, to have an explicit neutrality
24 policy on any issue involving the organiza-
25 tion of employees of the entity, and all con-

1 tractors and subcontractors in the per-
2 formance of any applicable construction
3 project, for purposes of collective bar-
4 gaining.

5 (viii) The entity shall require all con-
6 tractors and subcontractors to participate
7 in a registered apprenticeship program for
8 each skilled craft employed on any applica-
9 ble construction project.

10 (ix) The entity, and all contractors
11 and subcontractors in the performance of
12 any applicable construction project, shall
13 not request or otherwise consider the
14 criminal history of an applicant for em-
15 ployment before extending a conditional
16 offer to the applicant, unless—

17 (I) a background check is other-
18 wise required by law,

19 (II) the position is for a Federal
20 law enforcement officer (as defined in
21 section 115(c)(1) of title 18, United
22 States Code) position, or

23 (III) the Secretary of Labor,
24 after consultation with the Secretary
25 of Energy, certifies that precluding

1 criminal history prior to the condi-
2 tional offer would pose a threat to na-
3 tional security.

4 (D) DAVIS-BACON ACT.—The Secretary of
5 Labor shall have, with respect to the labor
6 standards described in subparagraph (C)(i), the
7 authority and functions set forth in Reorganiza-
8 tion Plan Numbered 14 of 1950 (64 Stat.
9 1267; 5 U.S.C. App.) and section 3145 of title
10 40, United States Code.

11 (E) PERIOD OF VALIDITY FOR CERTIFI-
12 CATIONS.—A certification made under this sub-
13 section shall be in effect for a period of 5 years.
14 An entity may reapply to the Secretary of
15 Labor for an additional certification under this
16 subsection in accordance with the application
17 process under paragraph (2)(B).

18 (F) REVOCATION OF QUALIFIED ENTITY
19 STATUS.—The Secretary of Labor may revoke
20 the certification of an entity under this sub-
21 section as a qualified entity at any time in
22 which the Secretary reasonably determines the
23 entity is no longer in compliance with para-
24 graph (2)(C).

1 (G) CERTIFICATION MAY COVER MORE
2 THAN ONE SUBSTANTIALLY SIMILAR
3 PROJECT.—The Secretary of Labor may make
4 certifications under this paragraph which apply
5 with respect to more than one project if the
6 projects to which such certification apply are
7 substantially similar projects which meet the re-
8 quirements of this subsection. Such projects
9 shall be treated as a specific construction
10 project for purposes of paragraph (1)(C).

11 (3) AUTHORIZATION OF APPROPRIATIONS.—
12 There is authorized to be appropriated to carry out
13 this section \$10,000,000 for fiscal year 2021 and
14 each fiscal year thereafter.

15 (b) JOBS IN ENERGY CREDIT.—

16 (1) IN GENERAL.—Subpart E of part IV of
17 subchapter A of chapter 1 is amended by inserting
18 after section 48C the following new section:

19 **“SEC. 48D. JOBS IN ENERGY CREDIT.**

20 **“(a) INVESTMENT CREDIT FOR QUALIFIED PROP-**
21 **ERTY.—**For purposes of section 46, the jobs in energy
22 credit for any taxable year is an amount equal to 10 per-
23 cent of the basis of any qualified energy property placed
24 in service by the taxpayer during such taxable year if the

1 installation of such property is performed by a qualified
2 entity with respect to such property.

3 “(b) QUALIFIED ENERGY PROPERTY.—For purposes
4 of this section, the term ‘qualified energy property’
5 means—

6 “(1) energy property (as defined in section
7 48(a)(3)), or

8 “(2) qualified property which is part of a quali-
9 fied investment credit facility (as defined in section
10 48(a)(5) without regard to clause (a)(5)(C)(iii))
11 which is originally placed in service after December
12 31, 2021.

13 “(c) QUALIFIED ENTITY.—For purposes of this sec-
14 tion—

15 “(1) IN GENERAL.—The term ‘qualified entity’
16 means, with respect to the installation of any quali-
17 fied energy property, an entity which is certified by
18 the Secretary of Labor as being in compliance with
19 all of the applicable requirements under section
20 503(a) of the GREEN Act of 2021 with respect to
21 such installation at all times during the period be-
22 ginning on the date on which the installation of such
23 property begins and ending on the date on which
24 such property is placed in service.

1 “(2) CERTIFICATION OF FACILITY REQUIRED.—

2 In the case of any qualified property referred to in
3 subsection (b)(2), an entity shall be treated as a
4 qualified entity with respect to the installation of
5 such property only if the Secretary of Labor has cer-
6 tified that the construction of the qualified invest-
7 ment credit facility of which such qualified property
8 is a part as being in compliance with all of the appli-
9 cable requirements under section 503(a) of the
10 GREEN Act of 2021 for the period referred to in
11 paragraph (1).

12 “(d) SPECIAL RULES.—

13 “(1) CERTAIN PROGRESS EXPENDITURE RULES
14 MADE APPLICABLE.—Rules similar to the rules of
15 subsections (c)(4) and (d) of section 46 (as in effect
16 on the day before the date of the enactment of the
17 Revenue Reconciliation Act of 1990) shall apply for
18 purposes of subsection (a).

19 “(2) SPECIAL RULE FOR PROPERTY FINANCED
20 BY SUBSIDIZED ENERGY FINANCING OR INDUSTRIAL
21 DEVELOPMENT BONDS.—For purposes of subsection
22 (a), rules similar to the rules of section 48(a)(4)
23 shall apply for purposes of determining the basis of
24 any qualified energy property.

1 “(3) INSTALLATION INCLUDES ON-SITE CON-
2 STRUCTION.—Any reference in this section to the in-
3 stallation of any property shall include the construc-
4 tion of such property if such construction is per-
5 formed on the site where such property is installed.

6 “(4) RECAPTURE.—If the Secretary of Labor
7 revokes the certification of a qualified entity with re-
8 spect to the installation of any property, the tax im-
9 posed under this chapter on the taxpayer to whom
10 the credit determined under this section is allowed
11 shall be increased for the taxable year which in-
12 cludes the date of such revocation by an amount
13 equal to the aggregate decrease in the credits al-
14 lowed under section 38 for all prior taxable years
15 which would have resulted solely from reducing to
16 zero any credit determined under this section with
17 respect to such property.

18 “(5) ELECTION NOT TO HAVE SECTION
19 APPLY.—This section shall not apply with respect to
20 any taxpayer for any taxable year if such taxpayer
21 elects (at such time and in such manner as the Sec-
22 retary may prescribe) not to have this section
23 apply.”.

24 (2) CONFORMING AMENDMENTS.—

1 (A) Section 46 is amended by striking
 2 “and” at the end of paragraph (5), by striking
 3 the period at the end of paragraph (6) and in-
 4 serting “, and”, and by adding at the end the
 5 following new paragraph:

6 “(7) the jobs in energy credit.”.

7 (B) Section 49(a)(1)(C) is amended by
 8 striking “and” at the end of clause (iv), by
 9 striking the period at the end of clause (v) and
 10 inserting a comma, and by adding at the end
 11 the following new clause:

12 “(vi) the basis of any qualified energy
 13 property under section 48D.”.

14 (C) Section 50(a)(2)(E) is amended by
 15 striking “or 48C(b)(2)” and inserting
 16 “48C(b)(2), or 48D(d)(1)”.

17 (D) The table of sections for subpart E of
 18 part IV of subchapter A of chapter 1 is amend-
 19 ed by inserting after the item relating to section
 20 48C the following new item:

“Sec. 48D. Jobs in energy credit.”.

21 (3) EFFECTIVE DATE.—The amendments made
 22 by this subsection shall apply to periods after De-
 23 cember 31, 2021, under rules similar to the rules of
 24 section 48(m) of the Internal Revenue Code of 1986

1 (as in effect on the day before the date of the enact-
 2 ment of the Revenue Reconciliation Act of 1990).

3 (c) INCREASE IN ENERGY EFFICIENT COMMERCIAL
 4 BUILDING DEDUCTION FOR INSTALLATION BY QUALI-
 5 FIED ENTITIES.—

6 (1) IN GENERAL.—Section 179D(d) is amended
 7 by adding at the end the following:

8 “(7) ADJUSTMENT FOR QUALIFIED ENTITIES.—
 9 In the case of any energy efficient commercial build-
 10 ing property which was installed (within the mean-
 11 ing of section 48D(d)(3)) by an entity which is cer-
 12 tified by the Secretary of Labor as being in compli-
 13 ance with all of the applicable requirements under
 14 section 503(a) of the GREEN Act of 2021 with re-
 15 spect to such installation, subsection (b)(1)(A) shall
 16 be applied by substituting ‘\$3.20’ for ‘\$3’.”.

17 (2) CONFORMING AMENDMENT.—Section
 18 179D(d)(1)(A) is amended by inserting “(or, in the
 19 case of property to which paragraph (7) applies, by
 20 substituting ‘\$1.07’ for ‘\$3.20’ in such paragraph)”
 21 before the period at the end.

22 (3) EFFECTIVE DATE.—The amendments made
 23 by this subsection shall apply to property placed in
 24 service after December 31, 2021.

1 (d) INCREASE IN ALTERNATIVE FUEL VEHICLE RE-
2 FUELING PROPERTY CREDIT FOR INSTALLATION BY
3 QUALIFIED ENTITIES.—

4 (1) IN GENERAL.—Section 30C(a), as amended
5 by the preceding provisions of this Act, is amended
6 by striking “plus” at the end of paragraph (1), by
7 striking the period at the end of paragraph (2) and
8 inserting “, plus”, and by adding at the end the fol-
9 lowing new paragraph:

10 “(3) in the case of any qualified alternative fuel
11 vehicle refueling property which was installed (within
12 the meaning of section 48D(d)(3)) by an entity
13 which is certified by the Secretary of Labor as being
14 in compliance with all of the applicable requirements
15 under section 503(a) of the GREEN Act of 2021
16 with respect to such installation, 10 percent of the
17 amount of costs taken into account under paragraph
18 (1) with respect to such property.”.

19 (2) EFFECTIVE DATE.—The amendments made
20 by this subsection shall apply to property placed in
21 service after December 31, 2021.

1 **TITLE VI—ENVIRONMENTAL**
2 **JUSTICE**

3 **SEC. 601. QUALIFIED ENVIRONMENTAL JUSTICE PROGRAM**

4 **CREDIT.**

5 (a) IN GENERAL.—Subpart C of part IV of sub-
6 chapter A of chapter 1, as amended by the preceding pro-
7 visions of this Act, is amended by adding at the end the
8 following new section:

9 **“SEC. 36D. QUALIFIED ENVIRONMENTAL JUSTICE PRO-**
10 **GRAMS.**

11 “(a) ALLOWANCE OF CREDIT.—In the case of an eli-
12 gible educational institution, there shall be allowed as a
13 credit against the tax imposed by this subtitle for any tax-
14 able year an amount equal to the applicable percentage
15 of the amounts paid or incurred by such taxpayer during
16 such taxable year which are necessary for a qualified envi-
17 ronmental justice program.

18 “(b) QUALIFIED ENVIRONMENTAL JUSTICE PRO-
19 GRAM.—For purposes of this section—

20 “(1) IN GENERAL.—The term ‘qualified envi-
21 ronmental justice program’ means a program con-
22 ducted by one or more eligible educational institu-
23 tions that is designed to address, or improve data
24 about, qualified environmental stressors for the pri-
25 mary purpose of improving, or facilitating the im-

1 provement of, health and economic outcomes of indi-
2 viduals residing in low-income areas or areas popu-
3 lated disproportionately by racial or ethnic minori-
4 ties.

5 “(2) QUALIFIED ENVIRONMENTAL STRESSOR.—
6 The term ‘qualified environmental stressor’ means,
7 with respect to an area, a contamination of the air,
8 water, soil, or food with respect to such area or a
9 change relative to historical norms of the weather
10 conditions of such area.

11 “(c) ELIGIBLE EDUCATIONAL INSTITUTION.—For
12 purposes of this section, the term ‘eligible educational in-
13 stitution’ means an institution of higher education (as
14 such term is defined in section 101 or 102(c) of the High-
15 er Education Act of 1965) that is eligible to participate
16 in a program under title IV of such Act.

17 “(d) APPLICABLE PERCENTAGE.—For purposes of
18 this section, the term ‘applicable percentage’ means—

19 “(1) in the case of a program involving material
20 participation of faculty and students of an institu-
21 tion described in section 371(a) of the Higher Edu-
22 cation Act of 1965, 30 percent, and

23 “(2) in all other cases, 20 percent.

24 “(e) CREDIT ALLOCATION.—

25 “(1) ALLOCATION.—

1 “(A) IN GENERAL.—The Secretary shall
2 allocate credit dollar amounts under this section
3 to eligible educational institutions, for qualified
4 environmental justice programs, that—

5 “(i) submit applications at such time
6 and in such manner as the Secretary may
7 provide, and

8 “(ii) are selected by the Secretary
9 under subparagraph (B).

10 “(B) SELECTION CRITERIA.—The Sec-
11 retary, after consultation with the Secretary of
12 Energy, the Secretary of Education, the Sec-
13 retary of Health and Human Services, and the
14 Administrator of the Environmental Protection
15 Agency, shall select applications on the basis of
16 the following criteria:

17 “(i) The extent of participation of fac-
18 ulty and students of an institution de-
19 scribed in section 371(a) of the Higher
20 Education Act of 1965.

21 “(ii) The extent of the expected effect
22 on the health or economic outcomes of in-
23 dividuals residing in areas within the
24 United States that are low-income areas or

1 areas populated disproportionately by ra-
2 cial or ethnic minorities.

3 “(iii) The creation or significant ex-
4 pansion of qualified environmental justice
5 programs.

6 “(2) LIMITATIONS.—

7 “(A) IN GENERAL.—The amount of the
8 credit determined under this section for any
9 taxable year to any eligible educational institu-
10 tion for any qualified environmental justice pro-
11 gram shall not exceed the excess of—

12 “(i) the credit dollar amount allocated
13 to such institution for such program under
14 this subsection, over

15 “(ii) the credits previously claimed by
16 such institution for such program under
17 this section.

18 “(B) FIVE-YEAR LIMITATION.—No
19 amounts paid or incurred after the 5-year pe-
20 riod beginning on the date a credit dollar
21 amount is allocated to an eligible educational
22 institution for a qualified environmental justice
23 program shall be taken into account under sub-
24 section (a) with respect to such institution for
25 such program.

1 “(C) ALLOCATION LIMITATION.—The total
2 amount of credits that may be allocated under
3 the program shall not exceed—

4 “(i) \$1,000,000,000 for each of 2022,
5 2023, 2024, 2025, and 2026, and

6 “(ii) \$0 for each subsequent year.

7 “(f) REQUIREMENTS.—

8 “(1) IN GENERAL.—An eligible educational in-
9 stitution that has been allocated credit dollar
10 amounts under this section for a qualified environ-
11 mental justice project for a taxable year shall—

12 “(A) make publicly available the applica-
13 tion submitted to the Secretary under sub-
14 section (e) with respect to such project, and

15 “(B) submit an annual report to the Sec-
16 retary that describes the amounts paid or in-
17 curred for, and expected impact of, such
18 project.

19 “(2) FAILURE TO COMPLY.—In the case of an
20 eligible education institution that has failed to com-
21 ply with the requirements of this subsection, the
22 credit dollar amount allocated to such institution
23 under this section is deemed to be \$0.

1 “(g) PUBLIC DISCLOSURE.—The Secretary, upon
2 making an allocation of credit dollar amounts under this
3 section, shall publicly disclose—

4 “(1) the identity of the eligible educational in-
5 stitution receiving the allocation, and

6 “(2) the amount of such allocation.”.

7 (b) CONFORMING AMENDMENTS.—

8 (1) Section 6211(b)(4)(A), as amended by the
9 preceding provisions of this Act, is amended by in-
10 serting “36D,” after “36C,”.

11 (2) Paragraph (2) of section 1324(b) of title
12 31, United States Code, as amended by the pre-
13 ceding provisions of this Act, is amended by insert-
14 ing “36D,” after “36C,”.

15 (c) CLERICAL AMENDMENT.—The table of sections
16 for subpart C of part IV of subchapter A of chapter 1,
17 as amended by the preceding provisions of this Act, is
18 amended by inserting after the item relating to section
19 36C the following new item:

“Sec. 36D. Qualified environmental justice programs.”.

20 (d) EFFECTIVE DATE.—The amendments made by
21 this section shall take effect on the date of the enactment
22 of this Act.

1 **TITLE VII—TREASURY REPORT**
2 **ON DATA FROM THE GREEN-**
3 **HOUSE GAS REPORTING PRO-**
4 **GRAM**

5 **SEC. 701. REPORT ON GREENHOUSE GAS REPORTING PRO-**
6 **GRAM.**

7 (a) IN GENERAL.—Not later than 180 days after the
8 date of the enactment of this Act, the Secretary of the
9 Treasury (or the Secretary’s delegate) shall submit a re-
10 port to Congress on the utility of the data from the Green-
11 house Gas Reporting Program for determining the amount
12 of greenhouse gases emitted by each taxpayer for the pur-
13 pose of imposing a fee on such taxpayers with respect to
14 such emissions. Such report shall include a detailed de-
15 scription and analysis of any administrative or other chal-
16 lenges associated with using such data for such purpose.

17 (b) GREENHOUSE GAS REPORTING PROGRAM.—For
18 purposes of this section, the term “Greenhouse Gas Re-
19 porting Program” means the reporting program estab-
20 lished by the Administrator of the Environmental Protec-
21 tion Agency under title II of division F of the Consolidated
22 Appropriations Act, 2008.

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