

97TH CONGRESS
1ST SESSION

S. 1323

To amend the Internal Revenue Code of 1954 with respect to the residential energy and investment tax energy credits, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 3 (legislative day, JUNE 1), 1981

Mr. TSONGAS (for himself and Mr. KENNEDY) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1954 with respect to the residential energy and investment tax energy credits, 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,*

3 SECTION 1. SHORT TITLE.

4 This Act may be cited as the "Commercial and Multi-
5 family Energy Tax Credit Act".

1 **SEC. 2. DEFINITION OF SPECIALLY DEFINED ENERGY PROP-**
2 **ERTY.**

3 (a) **HOTELS, OFFICE BUILDINGS, RETAIL AND**
4 **WHOLESALE TRADE FACILITIES, AND OTHER FACILITIES**
5 **INCLUDED.**—Paragraph (5) of section 48(l) of the Internal
6 Revenue Code of 1954 (defining specially defined energy
7 property) is amended by adding at the end thereof the follow-
8 ing new sentence: “In the case of any property installed in
9 connection with any commercial facility (including a hotel,
10 office building, educational facility, health care facility, or
11 retail or wholesale trade facility), any reduction of the
12 amount of energy consumed in connection with such facility
13 shall be treated as a reduction of energy consumed in a com-
14 mercial process.”.

15 (b) **ADDITIONAL ITEMS.**—Paragraph (5) of section 48(l)
16 of such Code is amended by striking out “or” at the end of
17 subparagraph (L), by redesignating subparagraph (M) as sub-
18 paragraph (V), and by inserting after subparagraph (L) the
19 following new subparagraphs:

20 “(M) insulating material or coating installed
21 in connection with a building, pipe, duct, contain-
22 er, or window,

23 “(N) a storm or thermal window or door for
24 the exterior of a building, a second entry door, or
25 a revolving door,

1 “(O) caulking or weatherstripping of an exte-
2 rior door or window,

3 “(P) a furnace replacement burner designed
4 to achieve a reduction in the amount of fuel con-
5 sumed as a result of increased combustion effi-
6 ciency,

7 “(Q) a device for modifying flue openings de-
8 signed to increase the efficiency of operation of
9 the heating system,

10 “(R) an electrical or mechanical furnace igni-
11 tion system which replaces a gas pilot light,

12 “(S) an electrostatic precipitator, a charcoal
13 filter, or any other air cleaner,

14 “(T) an automatic energy saving setback
15 thermostat,

16 “(U) replacement or modification of heating
17 distribution, cooling, ventilating, or lighting sys-
18 tems which increase their energy efficiency, or”

19 (c) The table contained in clause (i) of section 46(a)(2)(C)
20 of such Code is amended by inserting after the last item the
21 following new item:

“VII. SPECIALLY DEFINED ENERGY PROPERTY.—Property described in section

48(l)(5) 20 percent June 30, 1981. Dec. 31, 1985.”.

(d) EFFECTIVE DATES.—

(1) The amendment made by subsections (b) and

(c) shall take effect as if included in the amendments made by section 301(b) of the Energy Tax Act of 1978.

(2) The amendments made by subsection (b) shall apply to periods after June 30, 1981, under rules similar to the rules of section 48(m) of the Internal Revenue Code of 1954.

SEC. 3. EXTENSION OF RESIDENTIAL ENERGY CREDIT TO LESSORS.

(a) IN GENERAL.—Section 44C(d) of the Internal Revenue Code of 1954 (relating to special rules) is amended by redesignating paragraph (5) as paragraph (6) and by inserting after paragraph (4) the following new paragraphs:

“(5) EXPENDITURES BY LESSORS.—

“(A) LESSORS.—Notwithstanding any provision of this section requiring the taxpayer to use a dwelling unit as a residence, if any taxpayer who is the lessor of a dwelling unit makes expenditures which, but for such provision, constitute

1 energy conservation or renewable energy source
2 expenditures, then, for purposes of this section,
3 the lessor shall be treated as having made energy
4 conservation or renewable energy source expendi-
5 tures in connection with such dwelling unit.

6 “(B) AMOUNT OF CREDIT.—The amount of
7 the credit allowed under subsection (a) in the case
8 of a lessor shall be the amount otherwise deter-
9 mined under this section, except that in any case
10 in which the depreciation allowance under section
11 167 (or amortization in lieu of depreciation) is al-
12 lowed as a deduction with respect to the dwelling
13 unit, subsection (b) shall be applied—
14 “(i) by substituting ‘10 percent’ for ‘15
15 percent’ in paragraph (1), and
16 “(ii) by substituting ‘30 percent’ for ‘40
17 percent’ in paragraph (2).

18 “(C) WHEN EXPENDITURE MADE.—An ex-
19 penditure with respect to an item shall be treated
20 as made when the original installation of such
21 item is completed.

22 “(D) COORDINATION WITH OTHER PROVI-
23 SIONS.—No credit or deduction shall be allowed
24 under any other provision of this chapter with re-

1 spect to any amount for which a credit has been
2 allowed under subsection (a).”.

3 (b) **CONFORMING AMENDMENT.**—Subsection (a) of sec-
4 tion 44C of such Code (relating to general rule) is amended
5 by striking out “In the case of an individual, there” and in-
6 serting in lieu thereof “There”.

7 (c) **EFFECTIVE DATE.**—The amendments made by this
8 section shall apply to expenditures made after June 30, 1981
9 in taxable years ending after such date.

10 **SEC. 4. AMOUNT OF RESIDENTIAL ENERGY CREDIT.**

11 (a) **IN GENERAL.**—Subsection (b) of section 44C of the
12 Internal Revenue Code of 1954 (defining qualifying expendi-
13 tures) is amended—

14 (1) by striking out “\$2,000” in paragraph (1) and
15 inserting in lieu thereof “\$3,000”, and

16 (2) by striking out “\$10,000” in paragraph (2)
17 and inserting in lieu thereof “\$15,000”.

18 (b) **EFFECTIVE DATE.**—The amendment made by sub-
19 section (a) shall apply to taxable years beginning after June
20 30, 1981.

21 **SEC. 5. PERIOD TO WHICH ENERGY INVESTMENT CREDIT AP-**
22 **PLIES.**

23 Subclause (D) of section 46(a)(2)(C)(i) of the Internal
24 Revenue Code of 1954 (relating to energy percentage) is

- 1 amended by striking out "1982" and inserting in lieu thereof
- 2 "1985".

○