To amend the Internal Revenue Code of 1986 to provide an investment tax credit for waste heat to power technology.

IN THE SENATE OF THE UNITED STATES

Mr. CARPER (for himself and Mr. CARDIN) introduced the following bill; which was read twice and referred to the Committee on _______________________

A BILL

To amend the Internal Revenue Code of 1986 to provide an investment tax credit for waste heat to power technology.

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

SECTION 1. SHORT TITLE.

This Act may be cited as the “Waste Heat to Power Investment Tax Credit Act”.

SEC. 2. INVESTMENT CREDIT FOR WASTE HEAT TO POWER PROPERTY.

(a) IN GENERAL.—Section 48(a)(3)(A) of the Internal Revenue Code of 1986 is amended—

(1) at the end of clause (vi), by striking “or”,
(2) at the end of clause (vii), by inserting “or” after the comma, and

(3) by adding at the end the following:

“(viii) waste heat to power property,”.

(b) Definitions and Limitations.—Section 48(c) of the Internal Revenue Code of 1986 is amended by adding at the end the following:

“(5) Waste heat to power property.—

“(A) In general.—The term ‘waste heat to power property’ means property—

“(i) comprising a system which generates electricity through the recovery of a qualified waste heat resource, and

“(ii) the construction of which begins before January 1, 2027.

“(B) Qualified waste heat resource.—The term ‘qualified waste heat resource’ means—

“(i) exhaust heat or flared gas from an industrial process that does not have, as its primary purpose, the production of electricity, and

“(ii) a pressure drop in any gas for an industrial or commercial process.

“(C) Limitations.—
“(i) IN GENERAL.—For purposes of subsection (a)(1), the basis of any waste heat to power property taken into account under this section shall not exceed the excess of—

“(I) the basis of such property, over

“(II) the fair market value of comparable property which does not have the capacity to capture and convert a qualified waste heat resource to electricity.

“(ii) CAPACITY LIMITATION.—The term ‘waste heat to power property’ shall not include any property comprising a system if such system has a capacity in excess of 50 megawatts.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to periods after the date of enactment of this Act, in taxable years ending after such date, under rules similar to the rules of section 48(m) of the Internal Revenue Code of 1986 (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990).