H. R. 1

To amend the Internal Revenue Code of 1986 to extend and expand the new energy efficient home credit, to extend the energy efficient commercial buildings deduction, to eliminate the basis reduction for low-income housing properties receiving certain energy benefits, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. LANGEVIN introduced the following bill; which was referred to the Committee on __________

A BILL

To amend the Internal Revenue Code of 1986 to extend and expand the new energy efficient home credit, to extend the energy efficient commercial buildings deduction, to eliminate the basis reduction for low-income housing properties receiving certain energy benefits, and for other purposes.

1 Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,
SECTION 1. SHORT TITLE.

This Act may be cited as the “Building Efficiently Act of 2019”.

SEC. 2. EXTENSION AND EXPANSION OF NEW ENERGY EFFICIENT HOME CREDIT.

(a) EXTENSION OF CREDIT.—Section 45L(g) of the Internal Revenue Code of 1986 is amended by striking “December 31, 2017” and inserting “December 31, 2020”.

(b) CREDIT FOR QUALIFIED ENERGY EFFICIENT RENTAL PROPERTY.—Paragraph (2) of section 45L(a) of such Code is amended by striking “and” at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting “, and”, and by adding at the end the following:

“(C) in lieu of subparagraphs (A) and (B), in the case of qualified new energy efficient home that is a qualified energy efficient residential rental property, 3.3 percent of the cost of construction of such property, reduced by any expenditure not taken into account under this section by reason of subsection (f).”.

(c) QUALIFIED ENERGY EFFICIENT RESIDENTIAL RENTAL PROPERTY DEFINED.—Subsection (b) of section 45L of such Code is amended by adding at the end the following:
“(5) QUALIFIED ENERGY EFFICIENT RESIDENTIAL RENTAL PROPERTY.—

“(A) IN GENERAL.—The term ‘qualified energy efficient residential real property’ means a building which is residential rental property which is described in subparagraph (B), (C), or (D).

“(B) NEW OR RECONSTRUCTED BUILDING.—A building is described in this subparagraph if—

“(i) the certification requirements of subparagraph (E) with respect to the building are met,

“(ii) the original use of which commences with the taxpayer, and

“(iii) the building is placed in service after the date of the enactment of the Building Efficiently Act of 2019.

“(C) IMPROVEMENTS TO EXISTING BUILDING.—A building is described in this subparagraph if, only after improvements are made to the building—

“(i) the certification requirements of subparagraph (E) with respect to the building are met,
“(ii) the original use of the improved building commences with the taxpayer,

“(iii) the improved building is placed in service after the date of the enactment of the Building Efficiently Act of 2019, and

“(iv) the taxpayer elects to the application of this paragraph with respect to the building.

“(D) BUILDINGS ACQUIRED BY PURCHASE.—A building is described in this subparagraph if the building—

“(i) is acquired by purchase from an unrelated person,

“(ii) meets the certification requirements of subparagraph (E), and

“(iii) is placed in service after the date of the enactment of the Building Efficiently Act of 2019.

“(E) CERTIFICATION REQUIREMENTS.—The requirements of this subparagraph are met if, with respect to a building, the building is certified in accordance with subsection (d) as being constructed, reconstructed, or retrofitted, as the case may be, under a plan designed to
reduce energy and power consumption of the
building by 40 percent or more in comparison
to—

“(i) in the case of retrofits made to
an existing building, the baseline annual
energy and power consumption of the
building, or

“(ii) in any other case, a reference
building which meets the minimum re-
quirements of the International Energy
Conservation Code 2018 using methods of
calculation under subsection (d).

“(F) BASELINE ANNUAL ENERGY AND
POWER CONSUMPTION.—The baseline annual
energy and power consumption of any building
shall be determined by using—

“(i) a building energy performance
benchmarking tool designated for purposes
of this paragraph by the Administrator of
the Environmental Protection Agency,
which is based upon energy and power con-
sumption data during the 1-year period
ending on the date on which retrofits
under the plan are placed in service, or
“(ii) such other methods of calculation
as certified by the Secretary in accordance
with subsection (d).

“(G) RELATED PERSONS.—For purposes of subparagraph (D), a person is related to an-
other person if—

“(i) the persons are members of an
affiliated group (as defined in section
1504), or

“(ii) the persons have a relationship
described in subsection (b) of section 267;
except that, for purposes of this clause, the
phrase ‘80 percent or more’ shall be sub-
stituted for the phrase ‘more than 50 per-
cent’ each place it appears in such sub-
section and rules similar to the rules of
subsections (c) and (e) (other than para-
graphs (4) and (5) thereof) shall apply.’’.

(d) CONFORMING AMENDMENT.—Section 45L(d) is
amended by striking “subsection (c)” both places it ap-
ppears and inserting “subsection (b)(5) or (c)”.

(e) EFFECTIVE DATES.—

(1) EXTENSION.—The amendment made by
subsection (a) shall apply to property placed in serv-
ice after December 31, 2017.
Section 2. Qualified Energy Efficient Rental Property.—The amendments made by subsections (b), (c), and (d) shall apply to property placed in service after the date of the enactment of this Act, in taxable years ending after such date.


(a) In General.—Section 179D(h) of the Internal Revenue Code of 1986 is amended by striking “December 31, 2017” and inserting “December 31, 2020”.

(b) Effective Date.—The amendment made by this section shall apply to property placed in service after December 31, 2017.

Section 4. Elimination of Basis Reduction for Low-Income Housing Properties Receiving Certain Energy Benefits.

(a) New Energy Efficient Home Credit.—Subsection (e) of section 45L of the Internal Revenue Code of 1986 is amended—

(1) by striking “ADJUSTMENT.—For purposes” and inserting “ADJUSTMENT.—

“(1) IN GENERAL.—For purposes”; and

(2) by adding at the end the following new paragraph:
“(2) Exception for Low-Income Housing Properties.—Paragraph (1) shall not apply to any property with respect to which a credit is allowed under section 42.”.

(b) Energy Efficient Commercial Buildings Deduction.—Subsection (e) of section 179D of the Internal Revenue Code of 1986 is amended—

(1) by striking “Reduction.—For purposes” and inserting “Reduction.—

“(1) In General.—For purposes”; and

(2) by adding at the end the following new paragraph:

“(2) Exception for Low-Income Housing Properties.—Paragraph (1) shall not apply to any property with respect to which a credit is allowed under section 42.”.

(c) Energy Credit.—Paragraph (3) of section 50(c) of the Internal Revenue Code of 1986 is amended—

(1) by striking “and” at the end of subparagraph (A);

(2) by striking the period at the end of subparagraph (B) and inserting “, and”; and

(3) by adding at the end the following new subparagraph:
“(C) paragraph (1) shall not apply to any property with respect to which a credit is allowed under section 42.”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after the date of the enactment of this Act, in taxable years ending after such date.