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(Original Signature of Member)

117TH CONGRESS  
1ST SESSION

**H. R.** \_\_\_\_\_

To amend the Internal Revenue Code of 1986 to provide a manufacturing investment tax credit and a production tax credit for manufacturing facilities that produce onshore wind turbine components.

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IN THE HOUSE OF REPRESENTATIVES

Mr. SCHNEIDER introduced the following bill; which was referred to the Committee on \_\_\_\_\_

\_\_\_\_\_  
**A BILL**

To amend the Internal Revenue Code of 1986 to provide a manufacturing investment tax credit and a production tax credit for manufacturing facilities that produce onshore wind turbine components.

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 “Onshore Wind Amer-  
5 ican Manufacturing Act of 2021”.

1 **SEC. 2. ONSHORE WIND MANUFACTURING CREDIT.**

2 (a) IN GENERAL.—Subpart C of part IV of sub-  
3 chapter A of chapter 1 of the Internal Revenue Code is  
4 amended by inserting after section 36B the following new  
5 section:

6 **“SEC. 36C. ONSHORE WIND MANUFACTURING CREDIT.**

7 “(a) ALLOWANCE OF CREDIT.—There shall be al-  
8 lowed as a credit against the tax imposed by this subtitle  
9 for any taxable year an amount equal to the sum of—

10 “(1) the onshore wind manufacturing invest-  
11 ment credit, and

12 “(2) the onshore wind manufacturing produc-  
13 tion credit.

14 “(b) CREDIT AMOUNTS.—For purposes of this sec-  
15 tion—

16 “(1) MANUFACTURING INVESTMENT CREDIT.—

17 “(A) IN GENERAL.—The onshore wind  
18 manufacturing investment credit for any tax-  
19 able year is an amount equal to 30 percent of  
20 the qualified investment for such taxable year.

21 “(B) QUALIFIED INVESTMENT.—The  
22 qualified investment for any taxable year is the  
23 basis of any onshore wind manufacturing prop-  
24 erty placed in service in the United States by  
25 the taxpayer during such taxable year.

1           “(C) ONSHORE WIND MANUFACTURING  
2           PROPERTY.—The term ‘onshore wind manufac-  
3           turing property’ means property—

4                   “(i) which is used predominantly to  
5                   manufacture or process any qualified on-  
6                   shore wind component,

7                   “(ii) which respect to which deprecia-  
8                   tion (or amortization in lieu of deprecia-  
9                   tion) is allowable, and

10                   “(iii) which—

11                           “(I) is constructed, recon-  
12                           structed, retooled, upgraded, ex-  
13                           panded, or erected by the taxpayer, or

14                           “(II) which is acquired by the  
15                           taxpayer, if the original use of such  
16                           property commences with the tax-  
17                           payer.

18           “(2) MANUFACTURING PRODUCTION CREDIT.—

19                   “(A) IN GENERAL.—The onshore wind  
20                   manufacturing production credit is an amount  
21                   equal to the applicable rate with respect to any  
22                   qualified onshore wind component or related ve-  
23                   hicles or specialty equipment which—

24                           “(i) is produced by the taxpayer at a  
25                           qualified manufacturing facility, and

1 “(ii) during the taxable year—  
2 “(I) is sold by the taxpayer to—  
3 “(aa) an unrelated person,  
4 or  
5 “(bb) a related person for  
6 the use of such person in their  
7 trade or business (with the excep-  
8 tion of any trade or business re-  
9 lated to resale of such onshore  
10 wind component without any sub-  
11 sequent modification, assembly,  
12 or integration into a project), or  
13 “(II) if not sold, is placed in  
14 service or operation by the taxpayer  
15 or any other person.  
16 “(B) APPLICABLE RATE.—The applicable  
17 rate is—  
18 “(i) with respect to any qualified on-  
19 shore wind component, the total rated ca-  
20 pacity (expressed in watts) of the com-  
21 pleted onshore wind turbine for which the  
22 component is designed, multiplied by—  
23 “(I) in the case of any hub, 2  
24 cents,

1 “(II) in the case of any tower, 3  
2 cents,

3 “(III) in the case of any blade, 4  
4 cents, and

5 “(IV) in the case of any nacelle,  
6 5 cents, and

7 “(ii) with respect to any related vehi-  
8 cles or specialty equipment, an amount  
9 equal to—

10 “(I) 30 percent of the sale price  
11 of such vehicles or equipment, in the  
12 case of vehicles or equipment used for  
13 the transport or installation of ad-  
14 vanced onshore wind technology, and

15 “(II) 10 percent of the sale price  
16 of such vehicles or equipment, in any  
17 other case.

18 “(C) QUALIFIED MANUFACTURING FACIL-  
19 ITY.—The term ‘qualified manufacturing facil-  
20 ity’ means any new or existing facility—

21 “(i) which is located in the United  
22 States, and

23 “(ii) which manufactures or assembles  
24 qualified onshore wind components or re-  
25 lated vehicles or specialty equipment.

1           “(D) ADVANCED ONSHORE WIND TECH-  
2           NOLOGY.—The term ‘advanced onshore wind  
3           technology’ means any onshore wind energy  
4           production technology whose land-based system  
5           components are of a size that cannot be trans-  
6           ported on the Interstate Highway System due  
7           to the minimum vertical clearances of bridges.

8           “(E) PRODUCTION AND SALE MUST BE IN  
9           TRADE OR BUSINESS.—Any qualified onshore  
10          wind component produced and sold by the tax-  
11          payer shall be taken into account under sub-  
12          paragraph (A)(ii)(I) only if the production and  
13          sale described in subparagraph (A) is in a trade  
14          or business of the taxpayer.

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

16               “(1) QUALIFIED ONSHORE WIND COMPO-  
17               NENT.—

18                       “(A) IN GENERAL.—The term ‘qualified  
19                       onshore wind component’ means any blade,  
20                       tower, nacelle, or hub which is a component in  
21                       an onshore wind energy system producing elec-  
22                       tricity which—

23                               “(i) is rated at more than 150 kilo-  
24                               watts, or

1           “(ii) is certified by an accredited cer-  
2           tification agency to meet Standard 9.1-  
3           2009 of the American Wind Energy Asso-  
4           ciation or the Small Wind Turbine Stand-  
5           ard (SWT-1) of the American Clean Power  
6           Association and American National Stand-  
7           ards Institute.

8           “(B) DEFINITIONS.—

9           “(i) BLADE.—The term ‘blade’ means  
10          an airfoil-shaped blade which is responsible  
11          for converting onshore wind energy to low  
12          speed rotational energy.

13          “(ii) TOWER.—The term ‘tower’  
14          means a tubular steel, composite, concrete,  
15          or steel lattice structure which supports an  
16          onshore wind turbine.

17          “(iii) NACELLE.—The term ‘nacelle’  
18          means the assembly of the drive train and  
19          other tower-top components of an onshore  
20          wind turbine, excluding the blades and  
21          hub, within their cover housing.

22          “(iv) HUB.—The term ‘hub’ means  
23          the component which connects the blades  
24          to the main shaft of the onshore wind tur-  
25          bine.

1           “(2) RELATED VEHICLES OR SPECIALTY EQUIP-  
2           MENT.—The term ‘related vehicles or specialty  
3           equipment’ means any vehicles, aircraft, or related  
4           logistical equipment which are purpose-built or ret-  
5           rofitted for purposes of the transport, installation, or  
6           maintenance of onshore wind components and on-  
7           shore wind turbines.

8           “(d) SPECIAL RULES.—For purposes of this sec-  
9           tion—

10           “(1) SECRETARY.—Any reference to the Sec-  
11           retary means the Secretary in consultation with the  
12           Secretary of Energy.

13           “(2) LABOR CONDITIONS.—Any property shall  
14           be treated as onshore wind manufacturing property,  
15           and any facility shall be treated as a qualified manu-  
16           facturing facility, only if all laborers and mechanics  
17           employed by all contractors and subcontractors in  
18           the manufacture of such property or at such facility  
19           are paid wages at rates not less than the prevailing  
20           rates for work of a similar character in the locality  
21           as determined by the Secretary of Labor, in accord-  
22           ance with sections 3141 through 3144, 3146, and  
23           3147 of title 40, United States Code.

24           “(3) CERTAIN RULES MADE APPLICABLE FOR  
25           INVESTMENT CREDIT.—For purposes of the onshore



1 wind manufacturing investment credit determined  
2 under subsection (b)(1), rules similar to the rules of  
3 subsections (a) and (c) of section 50 shall apply.

4 “(4) COORDINATION WITH GENERAL INVEST-  
5 MENT CREDIT.—No credit shall be allowed under  
6 section 48C with respect to any facility taken into  
7 account for purposes of the credit under subsection  
8 (b)(2), or any facility with respect to which any  
9 qualified investment is taken into account for pur-  
10 poses of the credit under subsection (b)(1). The  
11 credit under this section shall be allowed without re-  
12 gard to whether any qualified investment (as defined  
13 in section 48C(b)) with respect to a facility has been  
14 taken into account for purposes of section 48C in  
15 any preceding taxable year.

16 “(e) REGISTRATION.—

17 “(1) IN GENERAL.—No credit shall be allowed  
18 under this section unless the taxpayer registers with  
19 the Secretary, at such time, in such form and man-  
20 ner, and subject to such terms and conditions, as the  
21 Secretary may by regulations prescribe. Such reg-  
22 istration shall include a demonstration of compliance  
23 with the requirements of subsection (d)(2).

24 “(2) REGISTRATION IN EVENT OF CHANGE IN  
25 OWNERSHIP.—Under regulations prescribed by the

1 Secretary, the taxpayer (other than a corporation  
2 the stock of which is regularly traded on an estab-  
3 lished securities market) shall be required to re-reg-  
4 ister under this subsection if after a transaction (or  
5 series of related transactions) more than 50 percent  
6 of ownership interests in, or assets of, the taxpayer  
7 are held by persons other than persons (or persons  
8 related thereto) who held more than 50 percent of  
9 such interests or assets before the transaction (or  
10 series of related transactions).

11 “(3) DENIAL, REVOCATION, OR SUSPENSION OF  
12 REGISTRATION.—Rules similar to the rules of sec-  
13 tion 4222(c) shall apply to registration under this  
14 section.

15 “(4) INFORMATION REPORTING.—The Sec-  
16 retary may require—

17 “(A) information reporting by any person  
18 registered under this subsection, and

19 “(B) information reporting by such other  
20 persons as the Secretary deems necessary to  
21 carry out this section.

22 “(f) TERMINATION.—

23 “(1) ONSHORE WIND MANUFACTURING INVEST-  
24 MENT TAX CREDIT.—

1           “(A) IN GENERAL.—Except as provided in  
2           subparagraph (B), in the case of any qualified  
3           investment with respect to onshore wind manu-  
4           facturing property which is placed in service  
5           after December 31, 2028, the amount of the  
6           credit determined under subsection (b)(1)  
7           (without regard to this subsection) shall be re-  
8           duced by—

9                   “(i) in the case of property placed in  
10                  service in calendar year 2029, 30 percent,

11                   “(ii) in the case of property placed in  
12                  service in calendar year 2030, 65 percent,  
13                  and

14                   “(iii) in the case of property placed in  
15                  service after December 31, 2030, 100 per-  
16                  cent.

17           “(B) CERTAIN PROGRESS EXPENDITURE  
18           RULES MADE APPLICABLE.—Rules similar to  
19           the rules of subsections (c)(4) and (d) of sec-  
20           tion 46 (as in effect on the day before the date  
21           of the enactment of the Revenue Reconciliation  
22           Act of 1990) shall apply for purposes of sub-  
23           paragraph (A).

24           “(2) ONSHORE WIND MANUFACTURING PRO-  
25           DUCTION TAX CREDIT.—No credit shall be allowed

1 under subsection (b)(2) in the case of any qualified  
2 onshore wind component first sold or placed in serv-  
3 ice after December 31, 2030.”.

4 (b) CLERICAL AMENDMENT.—The table of sections  
5 for subpart C of part IV of subchapter A of chapter 1  
6 of the Internal Revenue Code is amended by inserting  
7 after the item relating to section 36B the following new  
8 item:

“Sec. 36C. Onshore wind manufacturing credit.”.

9 (c) CONFORMING AMENDMENT.—Paragraph (2) of  
10 section 1324(b) of title 31, United States Code, is amend-  
11 ed by inserting “, 36C” after “36B”.

12 (d) EFFECTIVE DATE.—The amendments made by  
13 this section shall apply to—

14 (1) any qualified investment (as defined in sec-  
15 tion 36C(b)(1)(B) of the Internal Revenue Code of  
16 1986, as added by this section) with respect to prop-  
17 erty placed in service beginning after August 1,  
18 2021, and

19 (2) qualified onshore wind components (as de-  
20 fined in section 36C(c)(1) of such Code, as so  
21 added) first sold or placed in service after August 1,  
22 2021.