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111TH CONGRESS
1ST SESSION

H. R. 576

To amend the Internal Revenue Code of 1986 to allow a refundable investment credit, and 5-year depreciation, for property used to manufacture solar energy property.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 15, 2009

Ms. GIFFORDS introduced the following bill; which was referred to the Committee on Ways and Means

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A BILL

To amend the Internal Revenue Code of 1986 to allow a refundable investment credit, and 5-year depreciation, for property used to manufacture solar energy property.

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 ''Solar Manufacturing Advancement Act of 2009''.

SEC. 2. REFUNDABLE INVESTMENT CREDIT AND 5-YEAR DEPRECIATION FOR PROPERTY USED TO MANUFACTURE SOLAR ENERGY PROPERTY.

(a) IN GENERAL.—Subparagraph (A) of section 48(a)(3) of the Internal Revenue Code of 1986 (defining energy property) is amended by striking ''or'' at the end of clause (vi), by adding ''or'' at the end of clause (vii), and by inserting after clause (vii) the following new clause:

''(viii) property used to manufacture equipment described in clause (i) or (ii),''.

(b) 30 PERCENT CREDIT.—Clause (i) of section 48(a)(2)(A) of such Code is amended by striking ''and'' at the end of subclause (III) and by inserting after subclause (IV) the following new subclause:

''(V) property described in paragraph (3)(A)(viii) but only with respect to periods ending before January 1, 2017, and''.

(c) CREDIT TO BE REFUNDABLE.—Subsection (c) of section 38 of such Code (relating to limitation based on amount of tax) is amended by redesignating paragraph (5) as paragraph (6) and by inserting after paragraph (4) the following new paragraph:

''(5) SPECIAL RULES FOR SOLAR ENERGY PROPERTY MANUFACTURER CREDIT.—

"(A) IN GENERAL.—In the case of the solar energy property manufacturer credit—

"(i) this section and section 39 shall be applied separately with respect to such credit,

"(ii) in applying paragraph (1) to such credits—

"(I) the tentative minimum tax shall be treated as being zero, and

"(II) the limitation under paragraph (1) (as modified by subclause (I)) shall be reduced by the credit allowed under subsection (a) for the taxable year (other than the solar energy property manufacturer credit), and

"(iii) the amount of the solar energy property manufacturer credit in excess of the limitation under paragraph (1) (as modified by subclause (II)) shall be treated as a credit under subpart C.

"(B) SOLAR ENERGY PROPERTY MANUFACTURER CREDIT.—For purposes of this subsection, the term 'solar energy property manufacturer credit' means so much of the energy

credit as is attributable to property described in clause (viii) of section 48(a)(3)(A).''.

(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 and to taxable years ending after such date.

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