

DIVISION M – REVENUE PROVISIONS

Sec. 90001. Short Title, etc.

Provides that this division may be cited as the Renewable Energy, Efficiency and Infrastructure Tax Act of 2020”.

TITLE I—INFRASTRUCTURE FINANCING Subtitle A—Bond Financing Enhancements

Sec. 90101. Credit to issuer for certain infrastructure bonds (§6431A).

Based on the successful Build America Bonds program enacted in the 2009 American Recovery and Reinvestment Act, issuers of qualified infrastructure bonds would receive a tax credit equal to an applicable percentage of the interest, providing direct financing support for infrastructure investments made by state and local governments.

The applicable percentage of the credit for interest paid with respect to qualified bonds is determined in the year the bond is issued as follows:

| | |
|--------------------------|-----|
| 2020 through 2024..... | 42% |
| 2025..... | 38% |
| 2026..... | 34% |
| 2027 and thereafter..... | 30% |

State and local governments may claim this credit for bonds whose interest would otherwise be eligible for tax-exempt status in the Internal Revenue Code, and the entirety of whose net proceeds are used for capital expenditures or the operation and maintenance of capital expenditures. In the event that the credit is subject to sequestration, the credit amount will be grossed up to equal the applicable percentage of the interest payments. This provision applies to qualified infrastructure bonds issued more than 30 days after date of enactment of this Act.

Sec. 90102. Advance refunding bonds (§149).

Advance refunding refers to a state or local government holding the proceeds of a refunding issue for longer than 90 days before using such proceeds to pay off a refunded issue, allowing State and municipal governments to take advantage of lower interest rates to refinance long-term debt obligations. Prior to repeal in the 2017 Tax Cuts and Jobs Act, interest on advance refunding bonds was exempt from tax. This provision would once again allow interest on advance refunding bonds issued by state and local governments to be exempt from tax. This provision applies to advance refunding bonds issued more than 30 days after date of enactment of this Act.

Sec. 90103. Permanent modification of small issuer exception to tax-exempt interest expense allocation rules for financial institutions (§265).

As a general rule, no deductions are allowed for expenses that are allocable to tax-exempt income, including tax-exempt interest received by holders of certain municipal bonds. The same

general rule applies to financial institutions to disallow a deduction for interest expense that is allocable to tax- exempt interest income. However, present law provides an exception for interest expense allocable to certain tax-exempt obligations issued by qualified small issuers, which are defined (in part) as issuers that are not reasonably expected to issue more than \$10 million in tax-exempt obligations during a calendar year. This provision revises the definition of qualified small issuers by increasing the \$10 million limit to \$30 million (indexed annually for inflation). In addition, this provision treats qualified 501(c)(3) bonds as tax-exempt obligations for purposes of the small issuer exception, and makes permanent certain rules related to qualified financings.

Sec. 90104. Volume cap on private activity bonds (§146).

Increases the annual state volume cap on private activity bonds from the greater of \$75 per capita or \$225,000,000 to the greater of \$135 per capita or \$402,220,000.

Sec. 90105. Modifications to qualified small issue bonds (§144).

This provision expands the definition of eligible manufacturing facilities eligible for financing through qualified small issue bonds to include facilities used for the creation or production of intangible property, and facilities functionally related and subordinate to facilities used for the manufacturing, creation, or productions of tangible or intangible property. This provision also raises the aggregate cap for prior issues from \$10 million to \$30 million, indexed annually for inflation.

Sec. 90106. Expansion of certain exceptions to the private activity bond rules for first-time farmers (§§147, 144).

This provision increases the limitation on the exemption of the use of private activity bond proceeds for first-time farmers from \$450,000 to \$552,500, indexed annually for inflation.

Sec. 90107. Exempt facility bonds for zero-emission vehicle infrastructure (§142).

This provision expands the definition of exempt facility bond eligible for tax-exempt private activity bond financing to include any bond issued if 95 percent or more of the net proceeds are to be used to provide zero-emission vehicle infrastructure. Zero-emission vehicle infrastructure is defined as any depreciable property (not including a building and its structural components) used to charge or fuel zero-emissions vehicles. Charging infrastructure that is not exclusively for governmental or commercial fleets must be made available for use by members of the general public, accepts payment by use of a credit card reader, and is capable of charging or fueling vehicles produced by more than one manufacturer.

Sec. 90108. Exempt-facility bonds for sewage and water supply facilities (§146).

This provision adds to the list of private activity bonds that are not subject to the volume cap to include bonds for water and sewerage facilities.

Sec. 90109. Qualified highway or surface freight transfer facility bonds (§ 142).

This provision increases the limitation on the use of qualified highway or surface transfer facility bonds from \$15,000,000,000 to \$18,750,000,000 and applies Davis-Bacon prevailing wage requirements to projects funded with bond proceeds.

Subtitle B—School Infrastructure Bonds

Sec. 90111. Restoration of Certain Qualified Tax Credit Bonds (§ 54A, § 6431, § 54E).

This provision restores Qualified Zone Academy Bonds (QZABs) to the tax code, having been previously repealed in the 2017 Tax Cuts and Jobs Act. It further allows proceeds from QZABs to be used for construction and retrofitting of public school facilities. This provision permanently increases the national limitation for QZABs from \$400 million annually to \$1.4 billion annually and removes the private business contribution requirement for local educational agencies to participate in the QZAB program.

Sec. 90112. School Infrastructure Bonds (§ 54BB).

This provision adds new section 54BB of the Code, which designates a total national bond limitation of \$30 billion for qualified school infrastructure bonds (QSIBs), \$10 billion each for fiscal year 2020, fiscal year 2021, and fiscal year 2022. States may distribute up to 10% of the total bond limitation to enable local educational agencies to leverage existing public programs or public-private partnerships to expand access to high-speed broadband sufficient for digital learning.

The provision also:

- Allocates bond authority to states based on the proportion of funds that States receive

under Title I, Part A of ESEA;

- Requires that the federal government provide a tax credit of 100 percent of the interest on

any QSIB— such credit may be issued as a tax credit to the bondholder or as a direct payment to the bond issuer;

- Reserves 0.5% of the bond allocation for outlying areas, and 0.5% of the bond allocation for schools funded by the Bureau of Indian Affairs; and

Sec. 90113. Annual Report on Bond Program.

This provision requires the Secretary of Education to annually submit to Congress a report that includes the local educational agencies that participated in the bond program as well as local educational agencies that were unable to participate due to fiscal challenges.

Subtitle C—Other Provisions Related to Infrastructure Financing

Sec. 90121. Credit for operations and maintenance costs of government-owned Broadband (§ 6431B).

This provision creates a 30% tax credit for State, local, and tribal governments for the operations and maintenance costs of government owned broadband systems. To be eligible for the credit the broadband service must provide a download speed of at least 25 Mbps and an upload speed of at least 3 Mbps. Expenses taken into account for purposes of this credit are capped at \$400 per newly subscribed household living within a low-income community. This credit phases down to 26% in 2027, 24% in 2027, and expires at the beginning of 2028.

Sec. 90122. Treatment of financial guaranty insurance companies as qualifying insurance corporations under passive foreign investment company rules (§ 1297).

This provision provides that a financial guarantee insurance company that satisfies certain conditions may include unearned premium reserves in its applicable insurance liabilities for purposes of determining whether it is a passive foreign investment company. The provision contains financial statement reporting requirements and provides regulatory authority to impose additional tax reporting requirements on financial guarantee insurance companies. This provision is generally effective for taxable years beginning in 2018, except for reporting provisions, which are effective for reports made after the date of enactment.

Sec. 90123. Infrastructure Grants to Improve Child Care Safety (§ 418A).

This provision authorizes \$10 billion over the 2020-2024 period to finance grants to improve child care infrastructure, including constructing, renovating, and improving facilities to address long- standing issues and to respond to the COVID-19 pandemic. The Secretary of HHS would conduct an immediate needs assessment of the condition of child care facilities in order to inform the grant process and ensure that funds are distributed to areas of high need and in a way that increases availability of quality child care for poor children, young children, and children of essential workers, and also assists providers in complying with new public health rules and remaining open. The Secretary of HHS would also conduct a long-term needs assessment within 4 years to assess the condition of childcare facilities nationwide.

State priority granting would be based on improving child care facilities across a range of geographic areas, and collaboration across public and private sectors. State, tribal, and territorial grants would be capped at \$35 million per year, and additional grants of up to \$10 million would be available to intermediary organizations with demonstrated experience in child care facilities financing, for the purpose of providing technical assistance, capacity building, and financial products to help develop or finance child care facilities. Three percent each of total funding would be reserved Indian tribes and U.S. territories, and at least 10 percent but not more than 15 percent of total funding would be reserved for grants to intermediary organizations that support facility financing. States and territories (but not tribes and tribal organizations) would be required to provide a cash or in-kind match for 10 percent of the grant funds. The provision disregards any grants provided from the limitation on total payments to U.S. territories in Section 1108 of the Social Security Act.

TITLE II—NEW MARKETS TAX CREDIT

Sec. 90201. Improvement and permanent extension of new markets tax credit (§ 45D).

This provision makes the New Markets Tax Credit program permanent. For the 2019 allocation round, it provides an additional allocation of \$500 million (increasing the total allocation from \$3.5 billion to \$4.0 billion). It also provides a temporary increase in allocation amounts for 2020 (\$7 billion) and 2021 (\$6 billion). Finally, it sets the allocation amounts at \$5 billion for 2022 and all years thereafter. Beginning in 2022, it indexes the allocation amount to inflation and provides AMT relief to taxpayers claiming the NMTC.

TITLE III—REHABILITATION TAX CREDIT

Sec. 90301. Increase in rehabilitation credit (§ 47).

This provision increases the historic rehabilitation tax credit (HTC) percentage from 20 percent to 30 percent for 2020 through 2024. The credit percentage is phased down to 26 percent in 2025, 23 percent in 2026, and returns to 20 percent in 2027 and thereafter.

Sec. 90302. Increase in the rehabilitation credit for certain small projects (§ 47).

This provision permanently increases the HTC percentage from 20 percent to 30 percent for certain smaller projects to ensure rural and non-urban areas have a better ability to take advantage of the credit. The increased small project credit would cap Qualified Rehabilitation Expenses (QREs) at \$2.5 million, or approximately \$750,000 in credits, with a provision ensuring there is not a cliff as between the small project credit and the HTC for all projects. The provision is at the election of the taxpayer to allow taxpayers to choose between the HTC and the small project credit.

Sec. 90303. Modification of definition of substantially rehabilitated (§ 47).

This provision would change the threshold to qualify for use of the HTC by reducing the rehabilitation investment from 100% to 50% of adjusted basis.

Sec. 90304. Temporary extension of period for completing rehabilitation (§ 47).

HTC-eligible projects have a limited time in which to complete their substantial rehabilitation – either 24 months or 60 months. This provision extends the 24-month-period and 60-month-period, each by 12 months, to ensure those projects impacted by the pandemic do not fail to qualify for the HTC.

Sec. 90305. Elimination of rehabilitation credit basis adjustment (§ 50).

This provision changes the amount of the depreciable basis adjustment from 100 percent to zero, eliminating the requirement that the HTC be deducted from a building's basis at the time of

transfer. This change would place the HTC in line with other development credits and make it easier to use with programs like LIHTC.

Sec. 90306. Modifications regarding certain tax-exempt use property (§ 47).

This provision would amend the disqualified lease rules, making the HTC easier to access by non- profits and other tax-exempt entities. Leases disqualified under current law that inhibit the rehabilitation of these buildings, like those with purchase options, leases in excess of 20 years, and leases in buildings that use tax-exempt financing, would be permitted. These changes would make projects like health care centers, arts organizations, community services, workforce training providers, and others better able to use the HTC.

Sec. 90307. Qualification of rehabilitation expenditures for public school buildings for rehabilitation credit (§ 47).

This provision would allow public school buildings to better use the HTC by excepting public school buildings that have been used as public schools within the past five years from certain tax- exempt use rules. In particular, the “prior use” limitations related to leases by tax-exempt entities currently prevent public school beings from being rehabilitated using the HTC program.

TITLE IV—GREEN ENERGY

Sec. 90400. Short title.

Provides that this title may be cited as the “Growing Renewable Energy and Efficiency Now Act of 2020” or the “GREEN Act of 2020”.

Subtitle A—Renewable Electricity and Reducing Carbon Emissions

Sec. 90401. Extension of credit for electricity produced from certain renewable resources ((§§ 45 and 48(a)(5)).

The provision extends the production tax credit (PTC), which allows energy producers to claim a credit based on electricity produced from renewable energy resources. In most cases, including producers electing into the § 48 investment tax credit, these credits are extended for facilities for which construction begins by the end of 2025.

Most facilities: The PTC for the following facilities is revived and extended through the end of 2025:

- closed loop biomass,
- open loop biomass,
- landfill gas (municipal solid waste),
- trash (municipal solid waste),
- qualified hydropower, and marine and hydrokinetic renewable energy facilities.

Geothermal: The PTC for geothermal energy is revived and extended through the end of 2020. Geothermal is then made eligible for a higher investment tax credit (ITC) under § 48.

Wind: The PTC for wind energy is preserved at the current phaseout levels for 2019 and 2020 (60% and 40%, respectively), and then is extended at 60% through the end of 2025.

Sec. 90402. Extension and modification of energy credit (§ 48).

The provision extends the ITC, which allows taxpayers to claim a credit for up to 30% of the cost of qualified energy property. In most cases, the provision extends the credit at full value for property for which construction begins by the end of 2025, and then phases down over two years.

Solar: The ITC for solar energy property is extended at 30% through the end of 2025. The ITC then phases down to 26% in 2026, 22% in 2027, and 10% thereafter.

Geothermal: The ITC for geothermal energy property is modified to match the credit timeline for solar energy property. Therefore, the ITC for geothermal energy property is 30% through the end of 2025. The ITC then phases down to 26% in 2026, 22% in 2027, and 10% thereafter. Geothermal will not be eligible for the PTC after 2020. See § 101 of this legislation.

Other currently eligible property: The ITC for fiber-optic solar equipment, fuel cell property, microturbine property, combined heat and power property, and small wind energy property is extended at 30% through the end of 2025. The ITC then phases down to 26% in 2026 and 22% in 2027.

Newly eligible property: The ITC is expanded to include energy storage technology, waste energy recovery property, qualified biogas property, and linear generators. These technologies are eligible for the 30% ITC through the end of 2025. The ITC then phases down to 26% in 2026 and 22% in 2027. These technologies are briefly described as follows:

- Energy storage technology uses batteries and other storage technology to store energy for conversion to electricity and has a minimum capacity of 5 kWh, or to store energy to heat or cool a structure.
- Waste energy recovery property generates electricity solely from heat (such as exhaust heat) from buildings or equipment the primary purpose of which is not the generation of electricity and has a maximum capacity of 50 MW. If property would qualify as both waste energy recovery property and combined heat and power property, the taxpayer elects between the two.
- Biogas property converts biomass into a gas (which is at least 52% methane) for productive use, such as generating electricity. Electricity produced from property receiving an ITC under this provision is not also eligible for benefit under the PTC.

Linear generators convert fuel into electricity through electromechanical means using a linear generator assembly without the use of rotating parts. The credit for linear generators is limited to systems with a nameplate capacity of at least 1 kW.

Sec. 90403. Extension of credit for carbon oxide sequestration (§ 45Q).

The provision extends the credit for carbon oxide sequestration facilities that begin construction before the end of 2025.

Sec. 90404. Elective payment for energy property and electricity produced from certain renewable resources, etc. (§ 6431).

The provision allows taxpayers to elect to be treated as having made a payment of tax equal to 85% of the value of the credit they would otherwise be eligible for under the ITC or the PTC. Rather than opting to carry forward credits to years when their credits exceed their tax liability, taxpayers can take a reduced credit and request a refund of any resulting overpayment of tax. This allows entities with little or no tax liability to accelerate utilization of these credits. Tribal governments are treated as making a payment equal to the full value of the credit, instead of 85%.

Sec. 90405. Extension of energy credit for offshore wind facilities (§ 48(a)(5)).

The provision exempts offshore wind facilities that elect into the ITC (rather than the PTC) from reductions in the credit from the onshore wind facility phaseout. The credit expires for facilities that begin construction after the later of 1) the end of 2025 or 2) the end of the year that national offshore wind capacity is 3,000 MW above the capacity at the start of 2021. The provision directs the Secretary of the Treasury to issue an annual report starting in January 2024 of the status of the increase in offshore wind capacity.

Sec. 90406. Green energy publicly traded partnerships (§ 7704).

The provision expands the definition of qualified income for publicly traded partnerships from certain income derived from minerals and natural resources to include income derived from green and renewable energy. These additions include income from certain activities related to energy production eligible for the PTC, property eligible for the ITC, renewable fuels, and energy and fuel from certain carbon sequestration or gasification projects eligible for credits under §§ 48B or 45Q.

Subtitle B—Renewable Fuels

Sec. 90411. Biodiesel and renewable diesel (§§ 40A, 6426, and 6427).

The provision extends the income and excise tax credits for biodiesel and biodiesel mixtures at \$1.00 per gallon through 2022 and phases the credit down to \$0.75 in 2023, \$0.50 in 2024, and \$0.33 in 2025. The credit expires at the end of 2025. The provision also extends the \$0.10-per-gallon small agri-biodiesel producer credit through the end of 2025.

Sec. 90412. Extension of excise tax credits relating to alternative fuels (§§ 6426 and 6427).

The provision extends the excise tax credits for alternative fuels and alternative fuel mixtures at the pre-expiration level of \$0.50 per gallon through 2022 and phases the credit down to \$0.38 in 2023, \$0.25 in 2024, and \$0.17 in 2025. The credit expires at the end of 2025.

Sec. 90413. Extension of second generation biofuel incentives (§ 40).

The provision extends the second generation biofuel income tax credit through 2025. It also extends the 50% special allowance for depreciation of second generation biofuel plant property placed in service by the end of 2025.

Subtitle C—Green Energy and Efficiency Incentives for Individuals

Sec. 90421. Extension, increase, and modifications of nonbusiness energy property credit (§ 25C).

The provision extends the § 25C nonbusiness energy property credit to property placed in service by the end of 2025. For expenditures and property placed in service starting in 2021, the provision modifies and expands the credit, including by:

- increasing the percentage of the credit for installing qualified energy efficiency improvements from 10% of the cost to 15%,
- increasing the lifetime cap on credits allowed under this provision from \$500 to \$1,200 and restarting the lifetime limit beginning in 2021,
- updating various standards and associated limits to reflect advances in energy efficiency and removing eligibility of roofs and advanced main air circulating fans, and
- expanding the credit to cover the costs of home energy audits, allowing a credit of 30% of such costs up to a maximum credit of \$150.

Sec. 90422. Residential energy efficient property (§ 25D).

The provision extends the credit for the cost of qualified residential energy efficient property expenditures, including solar electric, solar water heating, fuel cell, small wind energy, and geothermal heat pumps. The provision extends the full 30% credit for eligible expenditures through the end of 2025. The credit then phases down to 26% in 2026 and 22% in 2027. The credit expires after the end of 2027. The provision also expands the definition of eligible property to include battery storage technology and energy efficient biomass fuel property. Correspondingly, biomass stoves are removed from § 25C to prevent a double benefit.

Sec. 90423. Energy efficient commercial buildings deduction (§ 179D).

The provision extends the 179D energy efficient commercial building deduction through 2025. Starting in 2021, the provision also updates and expands the deduction by increasing the maximum deduction from \$1.80 per square foot to \$3.00 per square foot (with corresponding increases for the partial deduction). It also changes this maximum from a lifetime cap to a three-

year cap. The provision updates the eligibility requirements so that property must reduce associated energy costs by 30% or more in comparison to a building that meets the ASHRAE standards as of two years prior to the date of construction. Under present law, property must reduce energy costs by 50% in comparison to the 2007 ASHRAE standard.

Sec. 90424. Extension, increase, and modifications of new energy efficient home credit (§ 45L).

The provision extends the § 45L new energy efficient home credit through 2025.

The provision expands the maximum credit for eligible new energy efficient homes from \$2,000 to \$2,500 and makes eligible units with energy expenditures at least 15% below the expenditures of a comparable unit based on the 2018 International Energy Conservation Code standards. It also replaces the eligibility requirements for units eligible for the \$1,000 credit to correspond with the Energy Star Labeled Homes program.

Sec. 90425. Modifications to income exclusion for conservation subsidies (§ 136).

The provision excludes from gross income water conservation, storm water management, and wastewater management subsidies provided by public utilities, state or local governments, or storm water management providers.

Subtitle D—Greening the Fleet and Alternative Vehicles

Sec. 90431. Modification of limitations on new qualified plug-in electric drive motor vehicle credit (§ 30D).

The provision expands the qualified plug-in electric drive motor vehicle credit under § 30D to apply a new transition period for vehicle sales of a manufacturer between 200,000 and 600,000 electric vehicles (EVs), under which the credit is reduced by \$500. The provision replaces the current phaseout period (which begins at 200,000 vehicles) with a phaseout period that instead begins during the second calendar quarter after the 600,000-vehicle threshold is reached. At the start of the new phaseout period, the credit is reduced by 50% for one quarter and terminates thereafter. For manufacturers that pass the 200,000-vehicle threshold before the enactment of this bill, the number of vehicles sold in between 200,000 and those sold on the date of enactment are excluded to determine when the 600,000-vehicle threshold is reached. The provision extends the 2-wheeled plug-in electric vehicle credit through 2025. It also extends the 3-wheeled plug-in electric vehicle credit through 2025.

Sec. 90432. Credit for previously-owned qualified plug-in electric drive motor vehicles (§ 25E).

The provision creates a new credit for buyers of used plug-in electric cars from date of enactment through 2025. Buyers can claim a base credit of \$1,250 for the purchase of qualifying used EVs, with additional incentives for battery capacity. The credit is capped at the lesser of \$2,500 credit or 30% of the sale price. To qualify for this credit, used EVs must generally meet the eligibility requirements in the existing § 30D credit for new EVs, not exceed a sale price of \$25,000, and be a model year that is at least two years earlier than the date of sale. Buyers with up to \$30,000 (\$60,000 for married couples filing jointly) in adjusted gross income can claim the full amount of

the credit. The credit phases out so that buyers with below \$40,000 (\$70,000 for married couples filing a joint return) in AGI may be eligible for a reduced credit. Buyers must purchase the vehicle from a dealership for personal use and cannot claim the credit more than once every three years. The credit only applies to the first resale of a used EV and includes restrictions on sales between related parties.

Sec. 90433. Credit for zero-emission heavy vehicles and zero-emission buses (§ 45T).

This provision creates a manufacturer credit for the sale of zero-emission heavy vehicles starting after the date of enactment through the end of 2025. Eligible manufacturers may claim a credit of 10% of the sale price of an eligible vehicle, capped at a credit of \$100,000 per sale. To be eligible, vehicles must be for domestic use, must weigh no less than 14,000 pounds, must not include an internal combustion engine, and must be propelled solely by an electric motor which draws electricity from a battery or fuel cell.

Sec. 90434. Qualified fuel cell motor vehicles (§ 30B).

This provision extends the credit for the purchase of a qualified fuel cell motor vehicle through 2025.

Sec. 90435. Alternative fuel refueling property credit (§ 30C).

The provision extends the alternative fuel vehicle refueling property credit through 2025. Beginning in 2021, the provision expands the credit for electric charging infrastructure by allowing a 20% credit for expenses in excess of \$100,000 (i.e., it allows a credit for expenses beyond the current limit if certain requirements are met). To qualify for this uncapped credit, the property must: 1) be intended for general public use and either accept credit cards as a form of payment or not charge a fee, or 2) be intended for exclusive use by government or commercial vehicle fleets.

Sec. 90436. Modification of employer-provided fringe for bicycle commuting (§ 132).

This provision restores and improves the tax exclusion for employer-provided fringe benefits for bicycle commuting. Specifically, the provision (1) repeals the suspension (for the period between 2020 and the end of 2025) of the exclusion, (2) includes bikeshare (a bicycle rental operation providing for pick up and drop off) and low-speed electric bicycle within the definition of bicycle for purposes of the exclusion, and (3) modifies the limitation on the exclusion to provide for a specified monthly limitation amount (i.e., 20% of the parking fringe benefit amount).

Subtitle E—Investment in the Green Workforce

Sec. 90441. Extension of the advanced energy project credit (§ 48C).

The provision revives the § 48C qualified advanced energy property credit, allowing the Secretary to allocate an additional \$2.5 billion in credits for each year from 2021 through and including 2025.

Similar requirements to the original credit apply, with a few notable changes. The Secretary will determine allocations to projects each year with a requirement that property is placed in service within 4 years of the date of the allocation. Projects will be given priority if the manufacturing is not for assembly of parts, if prevailing wages are paid to applicable workers, or if it has the greatest potential for commercial deployment to new applications. The Secretary will provide a progress report to Congress by 2025 on the domestic job creation, and wages associated with such jobs, attributable to these projects.

Sec. 90442. Labor costs of installing mechanical insulation property (§ 45U).

The provision provides a credit for up to 10% of the labor costs incurred by a taxpayer in installing mechanical insulation property into a mechanical system which was originally placed in service not less than 1 year before the date on which such mechanical insulation property is installed. The credit is available for costs paid starting in 2021 through the end of 2025.

Subtitle F—Environmental Justice

Sec. 90451. Qualified environmental justice program credit (§ 36C).

The provision creates a capped refundable competitive credit of \$1 billion for each year from 2021 through and including 2025 to institutions of higher education for environmental justice (EJ) programs. The base credit is 20% of costs to be spent within five years by the receiving institution. Programs with material participation from Historically Black Colleges and Universities (HBCUs) and Minority Serving Institutions (MSIs) are eligible for a higher credit of 30%. Qualifying EJ programs shall be designed to address or improve data about environmental stressors for the primary purpose of improving or facilitating the improvement of health and economic outcomes of individuals residing in low-income areas or areas populated disproportionately by racial or ethnic minorities. Institutions receiving allocations shall make publicly available the application submitted to the Secretary and submit annual reports describing the amounts paid for and expected impact of the projects. The Secretary shall publicly disclose the identity of the institutions receiving the allocation and the amount of the allocation.

Subtitle G—Treasury Report on Data From the Greenhouse Gas Reporting Program

Sec. 90461. Report on Greenhouse Gas Reporting Program.

The provision requires the Secretary of the Treasury to assess and report on the utility of the data from the Environmental Protection Agency's Greenhouse Gas Reporting Program for determining the amount of greenhouse gases emitted by each taxpayer for the purpose of imposing a fee on such taxpayers with respect to such emissions.

TITLE V—DISASTER AND RESILIENCY

Sec. 90501. Exclusion of amounts received from State-based catastrophe loss mitigation Programs (§ 139).

The provision excludes from gross income certain state-based grants made to homeowners that support mitigation efforts for earthquakes, fires, windstorms, and other disasters.

Sec. 90502. Repeal of temporary limitation on personal casualty losses (§ 165).

This provision repeals the temporary limitation on the casualty loss deduction, enacted in the 2017 Tax Cuts and Jobs Act. This change is made retroactive to casualty losses incurred beginning in 2018.

TITLE VI—HOUSING

Subtitle A—Low-income Housing Tax Credit Improvements

Sec. 90601. Extension of period for rehabilitation expenditures.

This provision provides deadline relief for low income housing projects undergoing development by extending the minimum expenditure requirement period from 24 months to 36 months for rehabilitation projects receiving a LIHTC allocation after December 31, 2016 and before January 1, 2022.

Sec. 90602. Extension of basis expenditure deadline.

This provision provides deadline relief for low income housing projects undergoing development by extending the deadline to expend 10% of basis from one year to two years after the date of the LIHTC allocation. This provision applies to projects receiving their allocation after December 31, 2016 and before January 1, 2022.

Sec. 90603. Tax exempt bond financing requirement.

Under current law, a low-income housing project may qualify for the 4% credit only if it is at least 50% financed by volume-capped tax-exempt bonds. This provision reduces the threshold from 50% to 25%, for buildings placed in service in taxable years beginning after December 31, 2019 and ending before January 1, 2022.

Sec. 90604. Minimum Credit Rate.

This provision establishes a permanent minimum 4% credit rate for low income housing projects using tax-exempt bonds to finance project development. This provision applies to buildings receiving allocations or determinations and placed in service after December 31, 2019.

Sec. 90605. Increase in State allocations.

This provision permanently increases, over 2021 and 2022, the state low-income housing tax credit allocation from the greater of \$1.75 per capita or \$2,000,000 to the greater of \$4.56 per capita or \$5,214,051.

Sec. 90606. Increase in credit for certain projects designated to serve extremely low income households.

This provision allows projects intended to serve extremely low income individuals to receive a 50% boost in their eligible basis for the project. This provision defines projects intended to serve extremely low income individuals as a building in which 20% or more of the units are designated for tenants with household income of maximum 30% of area median income or 100% of the federal poverty line, and the units are rent restricted based on an imputed income limitation of 30% of area median income. This provision provides a separate allocation above the state's annual LIHTC allocation, equal to 10% of such allocation, reserved for projects intended to serve extremely low income individuals as defined in this provision.

Sec. 90607. Inclusion of Indian areas as difficult development areas for purposes of certain buildings.

This provision includes Indian areas, as defined in the Native American Housing Assistance and Self Determination Act of 1996, as difficult development areas and makes certain projects built in such areas eligible for the 30% basis boost.

Sec. 90608. Inclusion of rural areas as difficult development areas.

This provision includes rural areas, as defined as non-metropolitan areas or areas defined in section 520 of the Housing Act of 1949, as difficult development areas. Projects built in difficult development areas are eligible for a 30% basis boost.

Sec. 90609. Increase in credit for bond financed projects designated by housing credit agency.

This provision allows state housing credit agencies to designate projects financed with tax-exempt bonds to be treated as located in difficult development areas if the state housing agency determines the project would not otherwise be financially feasible. Projects given such designation by a state housing credit agency are eligible for a 30% basis boost.

Sec. 90610. Repeal of qualified contract option.

This provision terminates the qualified contract option (available to property owners who want to exit the LIHTC program at any time after the 14th year of the 15-year compliance period) for buildings receiving their credit allocation or determination on or after January 1, 2020. This provision also amends the formula for the qualified contracts option related to existing buildings to use the fair market price, taking into account rent restrictions on low-income units.

Sec. 90611. Prohibition of local approval and contribution requirements.

This provision amends the responsibilities of housing credit agencies to prohibit the consideration of local approval and preferencing of local contributions over other contributions in State qualified allocation plans.

Sec. 90612. Adjustment of credit to provide relief during COVID-19 outbreak.

This provision allows the owner of an eligible low-income building to receive an accelerated credit stream of their low income housing credit by certifying to a housing credit agency that they have experienced delays due to COVID-19. It allows the taxpayer to elect to receive 150% of the credit which would otherwise be allocated to the building for the taxable year, provided the building's first year of the credit period ends on or after July 1, 2020 and before July 1, 2022. In the event the building owner elects this provision, the aggregate credit of the subsequent taxable years are reduced on a pro rata basis.

Sec. 90613. Credit for low-income housing supportive services.

This provision creates a new 25% credit for contributions to a qualified supportive housing reserve fund exclusively for providing supportive services to building tenants. Total eligible contributions to a building's fund are limited to the product of \$120,000 and the number of low-income units at the end of the first year of the credit period. For purposes of this credit, supportive services are defined as services provided by the owner of the building to tenants including health services, coordination of tenant benefits, job training, financial counseling, resident engagement services, or services the principal purpose of which is to help tenants retain permanent housing, or such other services as

defined by the Secretary. Services must be voluntary to and provided at no cost to tenants. There must be an extended low-income supportive services commitment between the building and the housing credit agency, which requires the funds only be used for appropriate uses within the extended use period of the building, appropriate documentation, a designated service coordinator, and maintenance of appropriate certification for the services provided. This credit applies to buildings placed in service beginning on or after January 1, 2020.

Subtitle B—Other Housing Provisions

Sec. 90621. Neighborhood Homes Investment Act (§ 42B).

This provision establishes a new federal tax credit to encourage the rehabilitation of deteriorated homes in distressed neighborhoods. States would receive Neighborhood Homes Investment Act (NHIA) tax credit authority and administer and allocate credits on a competitive basis. NHIA tax credits would be used to cover the gap between development costs and sales prices, up to 35 percent of eligible development costs. Rehabilitated homes must be owner-occupied for investors to receive the credits. Homeowners must be below certain income limitations and qualifying neighborhoods must have elevated poverty rates, lower incomes, and modest home values. Sales prices are capped and any homeowner who sells the home within five years must repay part of the gain from the home to further encourage neighborhood investment activities.

TITLE VII—TRIBAL DEVELOPMENT

Sec. 90701. Treatment of Indian Tribes as States with respect to bond issuance (§ 7871).

This provision amends rules related to the issuance of tax-exempt debt by Indian tribal governments. It instructs the Secretary to establish and allocate a national bond volume cap for

such governments. Indian tribal governments are defined to include governing bodies of tribes, including agencies, subdivisions, instrumentalities, and certain intertribal consortiums or other organizations that are authorized by Indian tribal governments. The provision repeals the essential government functions test, providing tribal governments with greater access to tax-exempt financing, on par with the States.

Sec. 90702. Treatment of Tribal foundations and charities like charities funded and controlled by other governmental funders and sponsors (§ 7871).

This provision treats foundations and charities formed to support tribal governments the same as foundations and charities formed to support state and local governments. Under current law, tribal governments can form 501(c)(3) charities that are private foundations only. State and local governments, on the other hand, may form public charities.

Sec. 90703. New markets tax credit (§ 45D).

This provision amends the New Markets Tax Credit program to ensure that tribal areas that otherwise meet NMTC eligibility requirements but may be in census tracts that do not meet those requirements, are nonetheless eligible for the NMTC program. It also instructs Treasury to provide a proportional allocation to tribal areas, similar to the proportional allocation provided under current law for nonmetropolitan areas.

TITLE VIII—HIGHWAY TRUST FUND AND RELATED TAXES

Sec. 90801. Extension of Highway Trust Fund expenditure authority (§§ 9503 and 9504).

This provision extends expenditure authority for the Highway Trust Fund, the Sport Fish Restoration and Boating Trust Fund, and the Leaking Underground Storage Tank Trust Fund, each through October 1, 2025.

Sec. 90802. Extension of highway-related taxes (§ 4041, 4051, et seq.).

This provision extends certain other trust fund taxes that otherwise expire on September 30, 2022 for an additional five years. Those taxes relate to the taxation of gasoline, diesel fuel and kerosene, and alternative fuels. Additionally, the provision extends certain non-fuel highway trust funds for an additional five years: the tax on heavy trucks and trailers sold at retail, an excise tax imposed on certain highway tires, and an annual use tax on certain highway vehicles.

Sec. 90803. Additional transfers to highway trust fund (§ 9503).

This provision transfers \$106,700,000,000 to the Highway Account in the Highway Trust Fund and \$38,600,000,000 to the Mass Transit Account in the Highway Trust Fund.