

119TH CONGRESS
1ST SESSION

H. R. 1237

To amend the Internal Revenue Code of 1986 to deny the energy credit to property located on prime or unique farmland, as defined by the Secretary of Agriculture in part 657 of title 7, Code of Federal Regulations, if such property is used for generating solar energy.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 12, 2025

Mr. BOST (for himself and Mr. FINSTAD) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to deny the energy credit to property located on prime or unique farmland, as defined by the Secretary of Agriculture in part 657 of title 7, Code of Federal Regulations, if such property is used for generating solar energy.

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 “Protect Agriculture,
5 Nutrients, and Essential Lands from Solar Act” or the
6 “PANELS Act”.

1 **SEC. 2. CREDITS AMENDED TO EXCLUDE PROPERTY LO-**
 2 **CATED ON PRIME OR UNIQUE FARMLAND.**

3 (a) ENERGY CREDIT.—

4 (1) ENERGY PROPERTY.—Section 48(a)(3) of
 5 the Internal Revenue Code of 1986 is amended by
 6 striking the period at the end and inserting “, or
 7 property which is located on prime farmland or
 8 unique farmland if such property is used for gener-
 9 ating solar energy.”

10 (2) QUALIFIED PROPERTY.—Section
 11 48(a)(5)(D) of such Code is amended—

12 (A) in clause (iii), by striking “and” at the
 13 end,

14 (B) in clause (iv), by striking the period at
 15 the end and inserting “, and”, and

16 (C) by adding at the end the following new
 17 clause:

18 “(v) which, in the case of property
 19 used for the purpose of generating solar
 20 energy, is not located on prime farmland
 21 or unique farmland.”.

22 (3) DEFINITIONS ADDED.—Section 48(c) of
 23 such Code is amended by adding at the end the fol-
 24 lowing new paragraph:

25 “(9) PRIME FARMLAND; UNIQUE FARMLAND.—
 26 The terms ‘prime farmland’ and ‘unique farmland’

1 have the meaning given such terms in part 657 of
 2 title 7, Code of Federal Regulations.”.

3 (4) QUALIFIED SOLAR AND WIND FACILITY.—

4 Section 48(e)(2)(A) of such Code is amended—

5 (A) in clause (ii), by striking “and” at the
 6 end,

7 (B) in clause (iii), by striking the period at
 8 the end and inserting “, and”, and

9 (C) by adding at the end the following new
 10 clause:

11 “(iv) which, in the case of a facility
 12 used for generating solar energy, is not lo-
 13 cated on prime farmland or unique farm-
 14 land.”.

15 (b) CLEAN ELECTRICITY PRODUCTION CREDIT.—

16 Section 45Y(b)(1) is amended—

17 (1) in subparagraph (A), by striking “subpara-
 18 graphs (B), (C), and (D),” and inserting “subpara-
 19 graphs (B), (C), (D), and (E)”, and

20 (2) by adding at the end the following new sub-
 21 paragraph:

22 “(E) PRIME FARMLAND AND UNIQUE
 23 FARMLAND EXCLUDED.—The term ‘qualified
 24 facility’ shall not include any facility used for
 25 generating solar energy if such facility is lo-

1 cated on prime farmland or unique farmland
2 (as such terms are defined in section
3 48(c)(9)).”.

4 (c) EFFECTIVE DATE.—The amendments made by
5 this section shall apply to property placed in service after
6 the date of the enactment of this Act.

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