

119TH CONGRESS
1ST SESSION

S. 1345

To amend the Internal Revenue Code of 1986 to increase the limitation on the credit for biomass stoves and boilers and to include biomass heating appliances in the energy credit.

IN THE SENATE OF THE UNITED STATES

APRIL 8, 2025

Mr. KING (for himself, Ms. COLLINS, and Mrs. SHAHEEN) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to increase the limitation on the credit for biomass stoves and boilers and to include biomass heating appliances in the energy credit.

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 “America’s First Fuels
5 Act”.

1 **SEC. 2. INCREASED LIMITATION FOR BIOMASS STOVES AND**
 2 **BOILERS UNDER ENERGY EFFICIENT HOME**
 3 **IMPROVEMENT CREDIT.**

4 (a) IN GENERAL.—Section 25C(b)(5) of the Internal
 5 Revenue Code of 1986 is amended by striking “shall not,
 6 in the aggregate, exceed” and all that follows and insert-
 7 ing the following: “shall not exceed—

8 “(A) with respect to amounts paid or in-
 9 curred, in the aggregate, for property described
 10 in clauses (i) and (ii) of subsection (d)(2)(A),
 11 \$2,000, and

12 “(B) with respect to amounts paid or in-
 13 curred, in the aggregate, for property described
 14 in subsection (d)(2)(B), \$10,000.”.

15 (b) EFFECTIVE DATE.—The amendment made by
 16 this section shall apply to property placed in service after
 17 December 31, 2025.

18 **SEC. 3. INVESTMENT TAX CREDIT FOR BIOMASS HEATING**
 19 **PROPERTY.**

20 (a) IN GENERAL.—Subpart E of part IV of sub-
 21 chapter A of chapter 1 of the Internal Revenue Code of
 22 1986 is amended by inserting after section 48E the fol-
 23 lowing new section:

1 **“SEC. 48F. OPEN-LOOP BIOMASS HEATING PROPERTY**
 2 **CREDIT.**

3 “(a) IN GENERAL.—For purposes of section 46, the
 4 open-loop biomass heating property credit for any taxable
 5 year is 30 percent of the basis of the open-loop biomass
 6 heating property placed in service during such taxable
 7 year.

8 “(b) OPEN-LOOP BIOMASS HEATING PROPERTY.—
 9 For purposes of this section—

10 “(1) IN GENERAL.—The term ‘open-loop bio-
 11 mass heating property’ means any property which—

12 “(A) uses open-loop biomass (as defined in
 13 section 45(c)(3)) to produce thermal energy in
 14 the form of heat, hot water, hot air, or steam,
 15 and

16 “(B) is used for space heating, air condi-
 17 tioning, domestic hot water, industrial process
 18 heat, or any combination of the foregoing.

19 “(2) REQUIREMENTS FOR BOILERS AND FUR-
 20 NACES.—Such term shall not include any boiler or
 21 furnace unless such boiler or furnace—

22 “(A) operates at thermal output effi-
 23 ciencies of not less than 75 percent (measured
 24 by the lower heating value of the fuel at nomi-
 25 nal output),

26 “(B) is installed indoors,

1 “(C) operates at a scale smaller than 50
2 MMBtu, and

3 “(D) is equipped with an electrostatic pre-
4 cipitator or other similar emissions control tech-
5 nology.

6 “(c) OTHER RULES.—

7 “(1) SPECIAL RULE FOR PROPERTY FINANCED
8 BY TAX-EXEMPT BONDS.—Rules similar to the rule
9 under section 45(b)(3) shall apply for purposes of
10 this section.

11 “(2) CERTAIN PROGRESS EXPENDITURE RULES
12 MADE APPLICABLE.—Rules similar to the rules of
13 subsections (c)(4) and (d) of section 46 (as in effect
14 on the day before the date of the enactment of the
15 Revenue Reconciliation Act of 1990) shall apply for
16 purposes of subsection (a).”.

17 (b) CONFORMING AMENDMENTS.—

18 (1) Section 46 of such Code is amended by
19 striking “and” at the end of paragraph (6), by strik-
20 ing the period at the end of paragraph (7) and in-
21 serting “, and”, and by adding at the end the fol-
22 lowing new paragraph:

23 “(8) the open-loop biomass heating property
24 credit.”.

1 (2) Section 49(a)(1)(C) of such Code is amend-
 2 ed by striking “and” at the end of clause (vii), by
 3 striking the period at the end of clause (viii), and by
 4 adding at the end the follow new clause:

5 “(ix) the basis of any open-loop bio-
 6 mass heating property credit.”.

7 (3) Section 50(a)(2)(E) of such Code is amend-
 8 ed by striking “or 48E(e)” and inserting “48E(e),
 9 or 48F(c)(2)”.

10 (4) The table of sections for subpart D of part
 11 IV of subchapter A of chapter 1 of subtitle A of
 12 such Code is amended by adding at the end the fol-
 13 lowing new item:

“Sec. 48F. Open-loop biomass heating property credit.”.

14 (c) EFFECTIVE DATE.—The amendments made by
 15 this section shall apply to periods after December 31,
 16 2025, in taxable years ending after such date, under rules
 17 similar to the rules of section 48(m) of the Internal Rev-
 18 enue Code of 1986 (as in effect on the day before the date
 19 of the enactment of the Revenue Reconciliation Act of
 20 1990).

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