To amend the Internal Revenue Code of 1986 to provide tax credits for energy storage technologies, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. Michael F. Doyle of Pennsylvania introduced the following bill; which was referred to the Committee on ______________________

A BILL

To amend the Internal Revenue Code of 1986 to provide tax credits for energy storage technologies, and for other purposes.

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 “Energy Storage Tax Incentive and Deployment Act of 2021”.
SEC. 2. ENERGY CREDIT FOR ENERGY STORAGE TECHNOLOGIES.

(a) In General.—Subclause (II) of section 48(a)(2)(A)(i) of the Internal Revenue Code of 1986 is amended by striking “paragraph (3)(A)(i)” and inserting “clause (i) or (ix) of paragraph (3)(A)”.

(b) Energy Storage Technologies.—Subparagraph (A) of section 48(a)(3) of the Internal Revenue Code of 1986 is amended by striking “or” at the end of clause (vii), by adding “or” at the end of clause (viii), and by adding at the end the following new clause:

“(ix) equipment which receives, stores, and delivers energy using batteries, compressed air, pumped hydropower, hydrogen storage (including electrolysis), thermal energy storage, regenerative fuel cells, flywheels, capacitors, superconducting magnets, or other technologies identified by the Secretary in consultation with the Secretary of Energy, and which has a capacity of not less than 5 kilowatt hours,”.

(c) Phaseout of Credit.—Paragraph (6) of section 48(a) of the Internal Revenue Code of 1986 is amended—

(1) by striking “ENERGY” in the heading and inserting “AND ENERGY STORAGE”; and
(2) by striking “paragraph (3)(A)(i)” both places it appears and inserting “clause (i) or (ix) of paragraph (3)(A)”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 2020.

SEC. 3. RESIDENTIAL ENERGY EFFICIENT PROPERTY CREDIT FOR BATTERY STORAGE TECHNOLOGY.

(a) IN GENERAL.—Subsection (a) of section 25D of the Internal Revenue Code of 1986 is amended—

(1) by striking “and” at the end of paragraph (5), and

(2) by adding at the end the following new paragraph:

“(7) the qualified battery storage technology expenditures,”.

(b) QUALIFIED BATTERY STORAGE TECHNOLOGY EXPENDITURE.—Subsection (d) of section 25D of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

“(7) QUALIFIED BATTERY STORAGE TECHNOLOGY EXPENDITURE.—The term ‘qualified battery storage technology expenditure’ means an expenditure for battery storage technology which—
“(A) is installed on or in connection with a dwelling unit located in the United States and used as a residence by the taxpayer, and

“(B) has a capacity of not less than 3 kilo-watt hours.”.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to expenditures paid or incurred in taxable years beginning after December 31, 2020.