

117TH CONGRESS
1ST SESSION

S. _____

To amend the Internal Revenue Code of 1986 to provide a manufacturing investment tax credit and a production tax credit for manufacturing facilities that produce onshore wind turbine components.

IN THE SENATE OF THE UNITED STATES

Mr. BENNET (for himself and Ms. STABENOW) introduced the following bill; which was read twice and referred to the Committee on

A BILL

To amend the Internal Revenue Code of 1986 to provide a manufacturing investment tax credit and a production tax credit for manufacturing facilities that produce onshore wind turbine components.

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 “Onshore Wind Amer-
5 ican Manufacturing Act of 2021”.

6 **SEC. 2. ONSHORE WIND MANUFACTURING CREDIT.**

7 (a) IN GENERAL.—Subpart C of part IV of sub-
8 chapter A of chapter 1 of the Internal Revenue Code is

1 amended by inserting after section 36B the following new
2 section:

3 **“SEC. 36C. ONSHORE WIND MANUFACTURING CREDIT.**

4 “(a) ALLOWANCE OF CREDIT.—There shall be al-
5 lowed as a credit against the tax imposed by this subtitle
6 for any taxable year an amount equal to the sum of—

7 “(1) the onshore wind manufacturing invest-
8 ment credit, and

9 “(2) the onshore wind manufacturing produc-
10 tion credit.

11 “(b) CREDIT AMOUNTS.—For purposes of this sec-
12 tion—

13 “(1) MANUFACTURING INVESTMENT CREDIT.—

14 “(A) IN GENERAL.—The onshore wind
15 manufacturing investment credit for any tax-
16 able year is an amount equal to 30 percent of
17 the qualified investment for such taxable year.

18 “(B) QUALIFIED INVESTMENT.—The
19 qualified investment for any taxable year is the
20 basis of any onshore wind manufacturing prop-
21 erty placed in service in the United States by
22 the taxpayer during such taxable year.

23 “(C) ONSHORE WIND MANUFACTURING
24 PROPERTY.—The term ‘onshore wind manufac-
25 turing property’ means property—

1 “(i) which is used predominantly to
2 manufacture or process any qualified on-
3 shore wind component,

4 “(ii) which respect to which deprecia-
5 tion (or amortization in lieu of deprecia-
6 tion) is allowable, and

7 “(iii) which—

8 “(I) is constructed, recon-
9 structed, retooled, upgraded, ex-
10 panded, or erected by the taxpayer, or

11 “(II) which is acquired by the
12 taxpayer, if the original use of such
13 property commences with the tax-
14 payer.

15 “(2) MANUFACTURING PRODUCTION CREDIT.—

16 “(A) IN GENERAL.—The onshore wind
17 manufacturing production credit is an amount
18 equal to the applicable rate with respect to any
19 qualified onshore wind component or related ve-
20 hicles or specialty equipment which—

21 “(i) is produced by the taxpayer at a
22 qualified manufacturing facility, and

23 “(ii) during the taxable year—

24 “(I) is sold by the taxpayer to—

4

1 “(aa) an unrelated person,

2 or

3 “(bb) a related person for

4 the use of such person in their

5 trade or business (with the excep-

6 tion of any trade or business re-

7 lated to resale of such onshore

8 wind component without any sub-

9 sequent modification, assembly,

10 or integration into a project), or

11 “(II) if not sold, is placed in

12 service or operation by the taxpayer

13 or any other person.

14 “(B) APPLICABLE RATE.—The applicable

15 rate is—

16 “(i) with respect to any qualified on-

17 shore wind component, the total rated ca-

18 pacity (expressed in watts) of the com-

19 pleted onshore wind turbine for which the

20 component is designed, multiplied by—

21 “(I) in the case of any hub, 2

22 cents,

23 “(II) in the case of any tower, 3

24 cents,

1 “(III) in the case of any blade, 4
2 cents, and

3 “(IV) in the case of any nacelle,
4 5 cents, and

5 “(ii) with respect to any related vehi-
6 cles or specialty equipment, an amount
7 equal to—

8 “(I) 30 percent of the sale price
9 of such vehicles or equipment, in the
10 case of vehicles or equipment used for
11 the transport or installation of ad-
12 vanced onshore wind technology, and

13 “(II) 10 percent of the sale price
14 of such vehicles or equipment, in any
15 other case.

16 “(C) QUALIFIED MANUFACTURING FACIL-
17 ITY.—The term ‘qualified manufacturing facil-
18 ity’ means any new or existing facility—

19 “(i) which is located in the United
20 States, and

21 “(ii) which manufactures or assembles
22 qualified onshore wind components or re-
23 lated vehicles or specialty equipment.

24 “(D) ADVANCED ONSHORE WIND TECH-
25 NOLOGY.—The term ‘advanced onshore wind

1 technology’ means any onshore wind energy
2 production technology whose land-based system
3 components are of a size that cannot be trans-
4 ported on the Interstate Highway System due
5 to the minimum vertical clearances of bridges.

6 “(E) PRODUCTION AND SALE MUST BE IN
7 TRADE OR BUSINESS.—Any qualified onshore
8 wind component produced and sold by the tax-
9 payer shall be taken into account under sub-
10 paragraph (A)(ii)(I) only if the production and
11 sale described in subparagraph (A) is in a trade
12 or business of the taxpayer.

13 “(c) DEFINITIONS.—For purposes of this section—

14 “(1) QUALIFIED ONSHORE WIND COMPO-
15 NENT.—

16 “(A) IN GENERAL.—The term ‘qualified
17 onshore wind component’ means any blade,
18 tower, nacelle, or hub which is a component in
19 an onshore wind energy system producing elec-
20 tricity which—

21 “(i) is rated at more than 150 kilo-
22 watts, or

23 “(ii) is certified by an accredited cer-
24 tification agency to meet Standard 9.1-
25 2009 of the American Wind Energy Asso-

1 ciation or the Small Wind Turbine Stand-
2 ard (SWT-1) of the American Clean Power
3 Association and American National Stand-
4 ards Institute.

5 “(B) DEFINITIONS.—

6 “ (i) BLADE.—The term ‘blade’ means
7 an airfoil-shaped blade which is responsible
8 for converting onshore wind energy to low
9 speed rotational energy.

10 “(ii) TOWER.—The term ‘tower’
11 means a tubular steel, composite, concrete,
12 or steel lattice structure which supports an
13 onshore wind turbine.

14 “(iii) NACELLE.—The term ‘nacelle’
15 means the assembly of the drive train and
16 other tower-top components of an onshore
17 wind turbine, excluding the blades and
18 hub, within their cover housing.

19 “(iv) HUB.—The term ‘hub’ means
20 the component which connects the blades
21 to the main shaft of the onshore wind tur-
22 bine.

23 “(2) RELATED VEHICLES OR SPECIALTY EQUIP-
24 MENT.—The term ‘related vehicles or specialty
25 equipment’ means any vehicles, aircraft, or related

1 logistical equipment which are purpose-built or ret-
2 rofitted for purposes of the transport, installation, or
3 maintenance of onshore wind components and on-
4 shore wind turbines.

5 “(d) SPECIAL RULES.—For purposes of this sec-
6 tion—

7 “(1) SECRETARY.—Any reference to the Sec-
8 retary means the Secretary in consultation with the
9 Secretary of Energy.

10 “(2) LABOR CONDITIONS.—Any property shall
11 be treated as onshore wind manufacturing property,
12 and any facility shall be treated as a qualified manu-
13 facturing facility, only if all laborers and mechanics
14 employed by all contractors and subcontractors in
15 the manufacture of such property or at such facility
16 are paid wages at rates not less than the prevailing
17 rates for work of a similar character in the locality
18 as determined by the Secretary of Labor, in accord-
19 ance with sections 3141 through 3144, 3146, and
20 3147 of title 40, United States Code.

21 “(3) CERTAIN RULES MADE APPLICABLE FOR
22 INVESTMENT CREDIT.—For purposes of the onshore
23 wind manufacturing investment credit determined
24 under subsection (b)(1), rules similar to the rules of
25 subsections (a) and (c) of section 50 shall apply.

1 “(4) COORDINATION WITH GENERAL INVEST-
2 MENT CREDIT.—No credit shall be allowed under
3 section 48C with respect to any facility taken into
4 account for purposes of the credit under subsection
5 (b)(2), or any facility with respect to which any
6 qualified investment is taken into account for pur-
7 poses of the credit under subsection (b)(1). The
8 credit under this section shall be allowed without re-
9 gard to whether any qualified investment (as defined
10 in section 48C(b)) with respect to a facility has been
11 taken into account for purposes of section 48C in
12 any preceding taxable year.

13 “(e) REGISTRATION.—

14 “(1) IN GENERAL.—No credit shall be allowed
15 under this section unless the taxpayer registers with
16 the Secretary, at such time, in such form and man-
17 ner, and subject to such terms and conditions, as the
18 Secretary may by regulations prescribe. Such reg-
19 istration shall include a demonstration of compliance
20 with the requirements of subsection (d)(2).

21 “(2) REGISTRATION IN EVENT OF CHANGE IN
22 OWNERSHIP.—Under regulations prescribed by the
23 Secretary, the taxpayer (other than a corporation
24 the stock of which is regularly traded on an estab-
25 lished securities market) shall be required to re-reg-

1 ister under this subsection if after a transaction (or
2 series of related transactions) more than 50 percent
3 of ownership interests in, or assets of, the taxpayer
4 are held by persons other than persons (or persons
5 related thereto) who held more than 50 percent of
6 such interests or assets before the transaction (or
7 series of related transactions).

8 “(3) DENIAL, REVOCATION, OR SUSPENSION OF
9 REGISTRATION.—Rules similar to the rules of sec-
10 tion 4222(c) shall apply to registration under this
11 section.

12 “(4) INFORMATION REPORTING.—The Sec-
13 retary may require—

14 “(A) information reporting by any person
15 registered under this subsection, and

16 “(B) information reporting by such other
17 persons as the Secretary deems necessary to
18 carry out this section.

19 “(f) TERMINATION.—

20 “(1) ONSHORE WIND MANUFACTURING INVEST-
21 MENT TAX CREDIT.—

22 “(A) IN GENERAL.—Except as provided in
23 subparagraph (B), in the case of any qualified
24 investment with respect to onshore wind manu-
25 facturing property which is placed in service

1 after December 31, 2028, the amount of the
2 credit determined under subsection (b)(1)
3 (without regard to this subsection) shall be re-
4 duced by—

5 “(i) in the case of property placed in
6 service in calendar year 2029, 30 percent,

7 “(ii) in the case of property placed in
8 service in calendar year 2030, 65 percent,
9 and

10 “(iii) in the case of property placed in
11 service after December 31, 2030, 100 per-
12 cent.

13 “(B) CERTAIN PROGRESS EXPENDITURE
14 RULES MADE APPLICABLE.—Rules similar to
15 the rules of subsections (c)(4) and (d) of sec-
16 tion 46 (as in effect on the day before the date
17 of the enactment of the Revenue Reconciliation
18 Act of 1990) shall apply for purposes of sub-
19 paragraph (A).

20 “(2) ONSHORE WIND MANUFACTURING PRO-
21 Duction TAX CREDIT.—No credit shall be allowed
22 under subsection (b)(2) in the case of any qualified
23 onshore wind component first sold or placed in serv-
24 ice after December 31, 2030.”.

1 (b) CLERICAL AMENDMENT.—The table of sections
2 for subpart C of part IV of subchapter A of chapter 1
3 of the Internal Revenue Code is amended by inserting
4 after the item relating to section 36B the following new
5 item:

“Sec. 36C. Onshore wind manufacturing credit.”.

6 (c) CONFORMING AMENDMENT.—Paragraph (2) of
7 section 1324(b) of title 31, United States Code, is amend-
8 ed by inserting “, 36C” after “36B”.

9 (d) EFFECTIVE DATE.—The amendments made by
10 this section shall apply to—

11 (1) any qualified investment (as defined in sec-
12 tion 36C(b)(1)(B) of the Internal Revenue Code of
13 1986, as added by this section) with respect to prop-
14 erty placed in service beginning after August 1,
15 2021, and

16 (2) qualified onshore wind components (as de-
17 fined in section 36C(c)(1) of such Code, as so
18 added) first sold or placed in service after August 1,
19 2021.