

BTU Act reintroduced in House, Senate

A bipartisan group of lawmakers renewed efforts to establish an investment tax credit for high-efficiency wood heating installations in late February with the reintroduction of the Biomass Thermal Utilization (BTU) Act.

On Feb. 28, Sens. Angus King, I-Maine, and Susan Collins, R-Maine, introduced the bill, S. 628, in the Senate. On the same day, Reps. Peter Welch, D-Vt., and Mike Kelly, R-Pa., introduced companion legislation, H.R. 1479, in the House.

The BTU Act aims to amend the federal tax code to incentivize the use of energy efficient wood boilers, stoves and heaters through tax credits for capital costs incurred in residential and commercial installations. According to information released by Collins' office, tax incentives already exist for many other forms of renewable or efficient energy. The BTU Act seeks to achieve parity between those systems and thermal biomass systems. By offering these incentives, the legislation would encourage people and businesses to upgrade away from oil boilers to efficient wood-pellet boilers.

"Biomass is an affordable, environmentally-friendly renewable energy that helps people heat their homes and businesses and ensures Maine's forest products can be used efficiently from stump to stem," King said. "By incentivizing biomass options, we can lower energy costs, further our independence from fossil fuels, leverage the use of Maine's natural resources, and strengthen our economy."

"Wood biomass is a cost-effective, renewable, and environmentally friendly source of energy that helps individuals heat their homes in the winter months and creates jobs here in Maine," Collins added. "By providing biomass

thermal energy technologies the same tax treatment as other forms of renewable energy, this legislation would encourage the use of highly efficient biomass heating systems.”

S. 628 was introduced in the House on Feb. 28 and referred to the Senate Committee on Finance. H.R. 1479 was also introduced Feb. 28 and referred to the House Committee on Ways and Means. In addition to Welch and Kelly, Reps. Ann Kuster, D-N.H., and Chellie Pingree, D-Maine, have signed on to cosponsor the House version the bill.

“Biomass heating systems are a great way to reduce heating bills while improving the environment,” Welch said. “Using a regionally sourced fuel like wood will reduce our reliance on fossil fuels and spur Vermont’s local wood fuel industry. This bipartisan legislation will make it more affordable for Vermonters to energy costs and increase our energy independence.”

“By leveling the playing field for the biomass industry we are supporting the creation of jobs, reducing energy costs, and benefiting the environment,” Kelly added. “It is especially crucial to our rural communities that we make modern wood heating more affordable, and the BTU Act will do that and grow the market for this renewable fuel.”

The Biomass Thermal Energy Council has spoken out to applaud Welch, Kelly, King and Collins for reintroducing the BTU Act.

“The BTU Act is a significant step towards achieving parity in tax treatment between modern wood heating and virtually all other renewable energy technologies. We welcome the bipartisan support this bill is achieving from Members of Congress across the country,” said Jeff Serfass, BTEC executive director.

According to the BTEC, the BTU Act amends Section 25D of the tax code to make residential wood heating systems that are at least 75 percent efficient eligible for the residential renewable energy tax credit. It also amends Section 48 of the

tax code to offer a two-tiered tax credit for commercial and industrial wood heating installations. Systems with efficiency capabilities of between 65 percent and 80 percent are limited to a 15 percent credit, while systems that operate at efficiency levels greater than 80 percent are eligible for the full 30 percent credit.

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