

117TH CONGRESS
1ST SESSION

S. 2140

To amend the Internal Revenue Code of 1986 to establish the advanced solar manufacturing production credit.

IN THE SENATE OF THE UNITED STATES

JUNE 21, 2021

Mr. OSSOFF (for himself, Mr. WARNOCK, Mr. BENNET, and Ms. STABENOW) 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 establish the advanced solar manufacturing production 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 “Solar Energy Manufac-
5 turing for America Act”.

6 **SEC. 2. ADVANCED SOLAR MANUFACTURING PRODUCTION**
7 **CREDIT.**

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

1 1986 is amended by adding at the end the following new
 2 section:

3 **“SEC. 36C. ADVANCED SOLAR MANUFACTURING PRODUC-**
 4 **TION CREDIT.**

5 “(a) IN GENERAL.—

6 “(1) ALLOWANCE OF CREDIT.—There shall be
 7 allowed as a credit against the tax imposed by this
 8 subtitle for any taxable year an amount equal to the
 9 sum of the credit amounts determined under sub-
 10 section (b) with respect to each solar component
 11 which is—

12 “(A) produced by such taxpayer, and

13 “(B) during the taxable year—

14 “(i) sold by the taxpayer to—

15 “(I) an unrelated person, or

16 “(II) a related person for the use
 17 of such person in their trade or busi-
 18 ness (with the exception of any trade
 19 or business related to resale of such
 20 solar component without any subse-
 21 quent modification, assembly, or inte-
 22 gration into a project), or

23 “(ii) placed in service or operation by
 24 the taxpayer or any other person.

1 “(2) PRODUCTION AND SALE MUST BE IN
 2 TRADE OR BUSINESS.—Any solar component pro-
 3 duced and sold by the taxpayer shall be taken into
 4 account only if the production and sale described in
 5 paragraph (1) is in a trade or business of the tax-
 6 payer.

7 “(b) CREDIT AMOUNT.—

8 “(1) IN GENERAL.—Subject to paragraph (2),
 9 the amount determined under this subsection with
 10 respect to any solar component shall be equal to—

11 “(A) in the case of an integrated module,
 12 an amount equal to the product of—

13 “(i) 11 cents, multiplied by

14 “(ii) the capacity of such module (ex-
 15 pressed on a per direct current watt basis),

16 “(B) in the case of a photovoltaic cell, an
 17 amount equal to the product of—

18 “(i) 4 cents, multiplied by

19 “(ii) the capacity of such cell (ex-
 20 pressed on a per direct current watt basis),

21 “(C) in the case of a photovoltaic wafer,
 22 \$12 per square meter,

23 “(D) in the case of solar grade polysilicon,
 24 \$3 per kilogram, and

1 “(E) in the case of a solar module which
 2 is not an integrated module, an amount equal
 3 to the product of—

4 “(i) 7 cents, multiplied by

5 “(ii) the capacity of such module (ex-
 6 pressed on a per direct current watt basis).

7 “(2) PHASE OUT.—

8 “(A) IN GENERAL.—In the case of any
 9 solar component sold after December 31, 2028,
 10 the amount determined under this subsection
 11 with respect to such component shall be equal
 12 to the product of—

13 “(i) the amount determined under
 14 paragraph (1) with respect to such compo-
 15 nent, as determined without regard to this
 16 paragraph, multiplied by

17 “(ii) the phase out percentage under
 18 subparagraph (B).

19 “(B) PHASE OUT PERCENTAGE.—The
 20 phase out percentage under this subparagraph
 21 is equal to—

22 “(i) in the case of a solar component
 23 sold during calendar year 2029, 70 per-
 24 cent,

1 “(ii) in the case of a solar component
 2 sold during calendar year 2030, 35 per-
 3 cent, and

4 “(iii) in the case of a solar component
 5 sold after December 31, 2030, 0 percent.

6 “(c) DEFINITIONS AND OTHER RULES.—In this sec-
 7 tion—

8 “(1) SOLAR COMPONENT.—The term ‘solar
 9 component’ means any property described in para-
 10 graph (2).

11 “(2) OTHER DEFINITIONS.—

12 “(A) INTEGRATED MODULE.—The term
 13 ‘integrated module’ means a solar module pro-
 14 duced by a single manufacturer through the
 15 conversion of a photovoltaic wafer or other
 16 semiconductor material into an end product
 17 which is—

18 “(i) suitable to generate electricity
 19 when exposed to sunlight, and

20 “(ii) ready for installation without ad-
 21 ditional manufacturing processes.

22 “(B) PHOTOVOLTAIC CELL.—The term
 23 ‘photovoltaic cell’ means the smallest semicon-
 24 ductor element of a solar module which per-

1 forms the immediate conversion of light into
2 electricity.

3 “(C) PHOTOVOLTAIC WAFER.—The term
4 ‘photovoltaic wafer’ means a thin slice or sheet
5 of semiconductor material of at least 240
6 square centimeters produced by a single manu-
7 facturer—

8 “(i) either—

9 “(I) directly from molten solar
10 grade polysilicon, or

11 “(II) through formation of an
12 ingot from molten polysilicon and sub-
13 sequent slicing, and

14 “(ii) which comprises the substrate of
15 a photovoltaic cell.

16 “(D) SOLAR GRADE POLYSILICON.—The
17 term ‘solar grade polysilicon’ means silicon
18 which is—

19 “(i) suitable for use in photovoltaic
20 manufacturing, and

21 “(ii) purified to a minimum purity of
22 99.999999 percent silicon by mass.

23 “(E) SOLAR MODULE.—The term ‘solar
24 module’ means the connection and lamination

1 of photovoltaic cells into an environmentally
2 protected final assembly which is—

3 “(i) suitable to generate electricity
4 when exposed to sunlight, and

5 “(ii) ready for installation without an
6 additional manufacturing process.

7 “(3) RELATED PERSONS.—Persons shall be
8 treated as related to each other if such persons
9 would be treated as a single employer under the reg-
10 ulations prescribed under section 52(b). In the case
11 of a corporation which is a member of an affiliated
12 group of corporations filing a consolidated return,
13 such corporation shall be treated as selling compo-
14 nents to an unrelated person if such component is
15 sold to such a person by another member of such
16 group.

17 “(4) ONLY PRODUCTION IN THE UNITED
18 STATES TAKEN INTO ACCOUNT.—Sales shall be
19 taken into account under this section only with re-
20 spect to solar components the production of which is
21 within—

22 “(A) the United States (within the mean-
23 ing of section 638(1)), or

24 “(B) a possession of the United States
25 (within the meaning of section 638(2)).

1 “(5) PASS-THRU IN THE CASE OF ESTATES AND
 2 TRUSTS.—Under regulations prescribed by the Sec-
 3 retary, rules similar to the rules of subsection (d) of
 4 section 52 shall apply.

5 “(d) REGISTRATION.—

6 “(1) IN GENERAL.—The Secretary shall require
 7 any person claiming tax benefits under the provi-
 8 sions of this section to register with the Secretary at
 9 such time, in such form and manner, and subject to
 10 such terms and conditions, as the Secretary may by
 11 regulations prescribe. A registration under this sub-
 12 section may be used only in accordance with regula-
 13 tions prescribed under this subsection.

14 “(2) REGISTRATION IN EVENT OF CHANGE IN
 15 OWNERSHIP.—Under regulations prescribed by the
 16 Secretary, a person (other than a corporation the
 17 stock of which is regularly traded on an established
 18 securities market) shall be required to re-register
 19 under this subsection if after a transaction (or series
 20 of related transactions) more than 50 percent of
 21 ownership interests in, or assets of, such person are
 22 held by persons other than persons (or persons re-
 23 lated thereto) who held more than 50 percent of
 24 such interests or assets before the transaction (or
 25 series of related transactions).

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

5 “(4) INFORMATION REPORTING.—The Sec-
6 retary may require—

7 “(A) information reporting by any person
8 registered under this subsection, and

9 “(B) information reporting by such other
10 persons as the Secretary deems necessary to
11 carry out this section.”.

12 (b) CONFORMING AMENDMENTS.—

13 (1) Section 6211(b)(4)(A) of the Internal Rev-
14 enue Code of 1986 is amended by inserting “36C,”
15 after “36B,”.

16 (2) Paragraph (2) of section 1324(b) of title
17 31, United States Code, is amended by inserting
18 “36C,” after “36B,”.

19 (3) The table of sections for subpart C of part
20 IV of subchapter A of chapter 1 of the Internal Rev-
21 enue Code of 1986 is amended by inserting after the
22 item relating to section 36B the following new item:

“Sec. 36C. Advanced solar manufacturing production credit.”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to components produced and sold
3 after December 31, 2021.

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