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

IN THE SENATE OF THE UNITED STATES

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

A BILL

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

Be it enacted by the Senate and House of Representa-
tives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Solar Energy Manufac-
turing for America Act”.

SEC. 2. ADVANCED SOLAR MANUFACTURING PRODUCTION

CREDIT.

(a) IN GENERAL.—Subpart C of part IV of sub-
chapter A of chapter 1 of the Internal Revenue Code of
1986 is amended by adding at the end the following new section:

“SEC. 36C. ADVANCED SOLAR MANUFACTURING PRODUCTION CREDIT.

“(a) In General.—

“(1) Allowance of Credit.—There shall be allowed as a credit against the tax imposed by this subtitle for any taxable year an amount equal to the sum of the credit amounts determined under subsection (b) with respect to each solar component which is—

“(A) produced by such taxpayer, and

“(B) during the taxable year—

“(i) sold by the taxpayer to—

“(I) an unrelated person, or

“(II) a related person for the use of such person in their trade or business (with the exception of any trade or business related to resale of such solar component without any subsequent modification, assembly, or integration into a project), or

“(ii) placed in service or operation by the taxpayer or any other person.
“(2) Production and sale must be in trade or business.—Any solar component produced and sold by the taxpayer shall be taken into account only if the production and sale described in paragraph (1) is in a trade or business of the taxpayer.

“(b) Credit amount.—

“(1) In general.—Subject to paragraph (2), the amount determined under this subsection with respect to any solar component shall be equal to—

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

“(i) 11 cents, multiplied by

“(ii) the capacity of such module (expressed on a per direct current watt basis),

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

“(i) 4 cents, multiplied by

“(ii) the capacity of such cell (expressed on a per direct current watt basis),

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

“(D) in the case of solar grade polysilicon, $3 per kilogram, and
“(E) in the case of a solar module which is not an integrated module, an amount equal to the product of—

“(i) 7 cents, multiplied by

“(ii) the capacity of such module (expressed on a per direct current watt basis).

“(2) PHASEOUT.—

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

“(i) the amount determined under paragraph (1) with respect to such component, as determined without regard to this paragraph, multiplied by

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

“(B) PHASEOUT PERCENTAGE.—The phase-out percentage under this subparagraph is equal to—

“(i) in the case of a solar component sold during calendar year 2029, 70 percent,
“(ii) in the case of a solar component sold during calendar year 2030, 35 percent, and
“(iii) in the case of a solar component sold after December 31, 2030, 0 percent.

“(c) Definitions and Other Rules.—In this section—

“(1) Solar component.—The term ‘solar component’ means any property described in paragraph (2).

“(2) Other definitions.—

“(A) Integrated module.—The term ‘integrated module’ means a solar module produced by a single manufacturer through the conversion of a photovoltaic wafer or other semiconductor material into an end product which is—

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

“(ii) ready for installation without additional manufacturing processes.

“(B) Photovoltaic cell.—The term ‘photovoltaic cell’ means the smallest semiconductor element of a solar module which per-
forms the immediate conversion of light into electricity.

“(C) PHOTOVOLTAIC WAFER.—The term ‘photovoltaic wafer’ means a thin slice or sheet of semiconductor material of at least 240 square centimeters produced by a single manufacturer—

“(i) either—

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

“(II) through formation of an ingot from molten polysilicon and subsequent slicing, and

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

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

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

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

“(E) SOLAR MODULE.—The term ‘solar module’ means the connection and lamination
of photovoltaic cells into an environmentally protected final assembly which is—

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

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

“(3) RELATED PERSONS.—Persons shall be treated as related to each other if such persons would be treated as a single employer under the regulations prescribed under section 52(b). In the case of a corporation which is a member of an affiliated group of corporations filing a consolidated return, such corporation shall be treated as selling components to an unrelated person if such component is sold to such a person by another member of such group.

“(4) ONLY PRODUCTION IN THE UNITED STATES TAKEN INTO ACCOUNT.—Sales shall be taken into account under this section only with respect to solar components the production of which is within—

“(A) the United States (within the meaning of section 638(1)), or

“(B) a possession of the United States (within the meaning of section 638(2)).
“(5) Pass-thru in the case of estates and trusts.—Under regulations prescribed by the Secretary, rules similar to the rules of subsection (d) of section 52 shall apply.

“(d) Registration.—

“(1) In general.—The Secretary shall require any person claiming tax benefits under the provisions of this section to register with the Secretary at such time, in such form and manner, and subject to such terms and conditions, as the Secretary may by regulations prescribe. A registration under this subsection may be used only in accordance with regulations prescribed under this subsection.

“(2) Registration in event of change in ownership.—Under regulations prescribed by the Secretary, a person (other than a corporation the stock of which is regularly traded on an established securities market) shall be required to re-register under this subsection if after a transaction (or series of related transactions) more than 50 percent of ownership interests in, or assets of, such person are held by persons other than persons (or persons related thereto) who held more than 50 percent of such interests or assets before the transaction (or series of related transactions).
“(3) Denial, revocation, or suspension of registration.—Rules similar to the rules of section 4222(c) shall apply to registration under this section.

“(4) Information reporting.—The Secretary may require—

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

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

(b) Conforming amendments.—

(1) Section 6211(b)(4)(A) of the Internal Revenue Code of 1986 is amended by inserting “36C,” after “36B,”.

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

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

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

(e) Effective date.—The amendments made by this section shall apply to components produced and sold after December 31, 2021.