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

Mr. Ossoff (for himself, Mr. Warnock, Ms. Stabenow, and Mr. Bennet) 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 (3), 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,
“(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),

“(F) in the case of a solar tracker torque tube, an amount equal to the product of—

“(i) 87 cents, multiplied by

“(ii) the mass of such torque tube (expressed on a per kilogram basis),

“(G) in the case of a solar tracker longitudinal purlin, an amount equal to the product of—

“(i) 87 cents, multiplied by

“(ii) the mass of such longitudinal purlin (expressed on a per kilogram basis),

“(H) in the case of a solar structural fastener, an amount equal to the product of—

“(i) $2.28, multiplied by

“(ii) the mass of such structural fastener (expressed on a per kilogram basis),

and

“(I) in the case of an inverter, an amount equal to the product of—
“(i) the applicable amount, multiplied by
“(ii) the capacity of such inverter (expressed on a per alternating current watt basis).

“(2) APPLICABLE AMOUNT.—For purposes of paragraph (1)(I), the applicable amount with respect to any inverter shall be—
“(A) in the case of a central inverter, 0.25 cents,
“(B) in the case of a utility-scale inverter, 1.5 cents,
“(C) in the case of a commercial inverter, 2 cents,
“(D) in the case of a residential inverter, 6.5 cents, and
“(E) in the case of a microinverter, 11 cents.

“(3) PHASE OUT.—
“(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) Phase out 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 pro-
duced 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 performs 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.

“(F) SOLAR TRACKER COMPONENTS.—

“(i) IN GENERAL.—The term ‘solar tracker’ means a structural support element which supports and mechanically moves solar panels to varying angles with respect to the position of the sun to optimize solar panel output throughout the day.
“(ii) SOLAR TRACKER TORQUE TUBE.—The term ‘solar tracker torque tube’ means a tubular structural steel support element of any cross-sectional shape which—

“(I) is part of a solar tracker,

“(II) may be assembled from individually manufactured segments,

“(III) spans longitudinally between foundation posts,

“(IV) supports a solar panel (with or without the use of additional support rails), and

“(V) is rotated by means of a drive system.

“(iii) SOLAR TRACKER LONGITUDINAL PURLIN.—The term ‘solar tracker longitudinal purlin’ means a structural steel support element which satisfies the conditions described in subclauses (I) through (V) of clause (ii).

“(iv) SOLAR STRUCTURAL FASTENER.—The term ‘solar structural fastener’ means a component which is used to connect—
“(I) segments of a solar tracker torque tube or solar tracker longitudinal purlin,

“(II) the mechanical and drive system components of a solar tracker to the foundation of such solar tracker, or

“(III) solar tracker torque tubes or solar tracker longitudinal purlins to drive assemblies.

“(G) INVERTERS.—

“(i) IN GENERAL.—The term ‘inverter’ means an end product which is suitable to convert direct current electricity into alternating current electricity.

“(ii) CENTRAL INVERTER.—The term ‘central inverter’ means an inverter which is suitable for large utility-scale systems and has a capacity which is greater than 1,500 kilowatts (expressed on a per alternating current watt basis).

“(iii) COMMERCIAL INVERTER.—The term ‘commercial inverter’ means an inverter which—
“(I) is suitable for commercial applications,

“(II) has a rated output of 208, 480, or 600 volt three-phase power, and

“(III) has a capacity which is not less than 20 kilowatts and not greater than 170 kilowatts (expressed on a per alternating current watt basis).

“(iv) MICROINVERTER.—The term ‘microinverter’ means an inverter which—

“(I) is suitable to connect with at least one integrated module or solar module,

“(II) has a rated output of 120 volt single-phase power, and

“(III) has a capacity which is not greater than 650 watts (expressed on a per alternating current watt basis).

“(v) RESIDENTIAL INVERTER.—The term ‘residential inverter’ means an inverter which—

“(I) is suitable to connect with at least one integrated module or solar module for a residence,
“(II) has a rated output of 120 volt single-phase power, and
“(III) has a capacity which is not greater than 20 kilowatts (expressed on a per alternating current watt basis).
“(vi) UTILITY-SCALE INVERTER.—The term ‘utility-scale inverter’ means an inverter which—
“(I) is suitable for large utility-scale systems,
“(II) has a rated output of not less than 480 volt three-phase power, and
“(III) has a capacity which is greater than 170 kilowatts and not greater than 1,500 kilowatts (expressed on a per alternating current watt basis)
“(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 compo-
ments 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 re-
spect to solar components the production of which is
within—

“(A) the United States (within the mean-
ing 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 Sec-
retary, 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 provi-
sions 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 sub-
section 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.”.

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