

110TH CONGRESS  
2D SESSION

# S. 2576

To amend the Internal Revenue Code of 1986 to allow a credit for qualified expenditures paid or incurred to replace certain wood stoves.

---

IN THE SENATE OF THE UNITED STATES

JANUARY 30, 2008

Mr. CRAPO (for himself, Ms. COLLINS, Mr. ALLARD, and Mr. TESTER) 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 allow a credit for qualified expenditures paid or incurred to replace certain wood stoves.

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 “Clean Stove Act of  
5 2008”.

1 **SEC. 2. CREDIT FOR REPLACEMENT OF WOOD-BURNING**  
 2 **STOVES MEETING ENVIRONMENTAL STAND-**  
 3 **ARDS.**

4 (a) **IN GENERAL.**—Subpart A of part IV of sub-  
 5 chapter A of chapter 1 of the Internal Revenue Code of  
 6 1986 (relating to nonrefundable personal credits) is  
 7 amended by inserting after section 25D the following new  
 8 section:

9 **“SEC. 25E. REPLACEMENT OF WOOD-BURNING STOVES.**

10 “(a) **ALLOWANCE OF CREDIT.**—In the case of an in-  
 11 dividual, there shall be allowed as a credit against the tax  
 12 imposed by this chapter for the taxable year an amount  
 13 equal to the qualified stove replacement expenditures paid  
 14 or incurred by the taxpayer for the taxable year.

15 “(b) **LIMITATION.**—The amount of the credit under  
 16 subsection (a) with respect to the replacement of each non-  
 17 compliant wood stove shall not exceed \$500.

18 “(c) **QUALIFIED STOVE REPLACEMENT EXPENDI-**  
 19 **TURES.**—For purposes of this section—

20 “(1) **IN GENERAL.**—The term ‘qualified stove  
 21 replacement expenditures’ means expenditures made  
 22 by the taxpayer for the purchase and installation of  
 23 a compliant stove which—

24 “(A) is installed in a dwelling unit located  
 25 in the United States, and

1           “(B) replaces a noncompliant wood stove  
2           used in such dwelling unit.

3           Such term includes expenditures for labor costs  
4           properly allocable to the onsite preparation, assem-  
5           bly, or original installation of the compliant stove.

6           “(2) COMPLIANT STOVE.—The term ‘compliant  
7           stove’ means—

8                   “(A) a wood-burning stove which meets the  
9                   requirements set forth in the ‘Standards of Per-  
10                  formance for New Residential Wood Heaters’  
11                  issued by the Environmental Protection Agency,  
12                  and

13                   “(B) a pellet or corn-burning stove.

14           “(3) NONCOMPLIANT WOOD STOVE.—The term  
15           ‘noncompliant wood stove’ means any wood-burning  
16           stove that is not a compliant stove.

17           “(d) JOINT OCCUPANCY, COOPERATIVE HOUSING  
18           CORPORATIONS, AND WHEN EXPENDITURE MADE.—  
19           Rules similar to the rules of paragraphs (4), (5), and (8)  
20           of section 25D(e) shall apply for purposes of this section.

21           “(e) BASIS ADJUSTMENT.—For purposes of this sub-  
22           title, if a credit is allowed under this section for any ex-  
23           penditure with respect to any property, the increase in the  
24           basis of such property which would (but for this sub-

1 section) result from such expenditure shall be reduced by  
 2 the amount of the credit so allowed.

3 “(f) TERMINATION.—This section shall not apply to  
 4 expenditures made after December 31, 2010.”.

5 (b) CONFORMING AMENDMENTS.—

6 (1) Subsection (a) of section 1016 of the Inter-  
 7 nal Revenue Code of 1986 is amended—

8 (A) by striking “and” at the end of para-  
 9 graph (36),

10 (B) by striking the period at the end of  
 11 paragraph (37) and inserting “, and”, and

12 (C) by adding at the end the following new  
 13 paragraph:

14 “(38) to the extent provided in section 25E(e),  
 15 in the case of amounts with respect to which a credit  
 16 has been allowed under section 25E.”.

17 (2) The table of sections for subpart A of part  
 18 IV of subchapter A of chapter 1 of such Code is  
 19 amended by inserting after the item relating to sec-  
 20 tion 25D the following new item:

“Sec. 25E. Replacement of wood-burning stoves.”.

21 (c) EFFECTIVE DATE.—The amendments made by  
 22 this section shall apply to expenditures for stoves pur-  
 23 chased after the date of the enactment of this Act.