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Text of H.R. 6049 [110th]: Energy Improvement and Extension Act of 2008

This version: Engrossed Amendment Senate. This is the text of the bill approved by the Senate. This is the latest version of the bill available on this website.

HR 6049 EAS

In the Senate of the United States,

*September 23 (legislative day, September 17),
2008.*

Resolved, That the bill from the House of Representatives (H.R. 6049) entitled 'An Act to amend the Internal Revenue Code of 1986 to provide incentives for energy production and conservation, to extend certain expiring provisions, to provide individual income tax relief, and for other purposes.', do pass with the following

AMENDMENT:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE, ETC.

(a) Short Title- This Act may be cited as the 'Energy Improvement and Extension Act of 2008'.

(b) Reference- Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) Table of Contents- The table of contents for this Act is as follows:

Sec. 1. Short title, etc.

TITLE I--ENERGY PRODUCTION INCENTIVES

Subtitle A--Renewable Energy Incentives

1 “(B) *APPLICABLE PERCENTAGE.*—For pur-
2 poses of subparagraph (A), the applicable per-
3 centage is—

4 “(i) 50 percent in the case of fuel pro-
5 duced after September 30, 2009, and on or
6 before December 30, 2009, and

7 “(ii) 75 percent in the case of fuel pro-
8 duced after December 30, 2009.”.

9 (2) *CONFORMING AMENDMENT.*—Subparagraph
10 (E) of section 6426(d)(2) is amended by inserting
11 “which meets the requirements of paragraph (4) and
12 which is” after “any liquid fuel”.

13 (d) *EFFECTIVE DATE.*—The amendments made by this
14 section shall apply to fuel sold or used after the date of the
15 enactment of this Act.

16 **SEC. 205. CREDIT FOR NEW QUALIFIED PLUG-IN ELECTRIC**
17 **DRIVE MOTOR VEHICLES.**

18 (a) *PLUG-IN ELECTRIC DRIVE MOTOR VEHICLE CRED-*
19 *IT.*—Subpart B of part IV of subchapter A of chapter 1
20 (relating to other credits) is amended by adding at the end
21 the following new section:

22 **“SEC. 30D. NEW QUALIFIED PLUG-IN ELECTRIC DRIVE**
23 **MOTOR VEHICLES.**

24 “(a) *ALLOWANCE OF CREDIT.*—

1 “(1) *IN GENERAL.*—*There shall be allowed as a*
2 *credit against the tax imposed by this chapter for the*
3 *taxable year an amount equal to the applicable*
4 *amount with respect to each new qualified plug-in*
5 *electric drive motor vehicle placed in service by the*
6 *taxpayer during the taxable year.*

7 “(2) *APPLICABLE AMOUNT.*—*For purposes of*
8 *paragraph (1), the applicable amount is sum of—*

9 “(A) \$2,500, plus

10 “(B) \$417 for each kilowatt hour of traction
11 *battery capacity in excess of 4 kilowatt hours.*

12 “(b) *LIMITATIONS.*—

13 “(1) *LIMITATION BASED ON WEIGHT.*—*The*
14 *amount of the credit allowed under subsection (a) by*
15 *reason of subsection (a)(2) shall not exceed—*

16 “(A) \$7,500, in the case of any new quali-
17 *fied plug-in electric drive motor vehicle with a*
18 *gross vehicle weight rating of not more than*
19 *10,000 pounds,*

20 “(B) \$10,000, in the case of any new quali-
21 *fied plug-in electric drive motor vehicle with a*
22 *gross vehicle weight rating of more than 10,000*
23 *pounds but not more than 14,000 pounds,*

24 “(C) \$12,500, in the case of any new quali-
25 *fied plug-in electric drive motor vehicle with a*

1 *gross vehicle weight rating of more than 14,000*
2 *pounds but not more than 26,000 pounds, and*

3 *“(D) \$15,000, in the case of any new quali-*
4 *fied plug-in electric drive motor vehicle with a*
5 *gross vehicle weight rating of more than 26,000*
6 *pounds.*

7 *“(2) LIMITATION ON NUMBER OF PASSENGER VE-*
8 *HICLES AND LIGHT TRUCKS ELIGIBLE FOR CREDIT.—*

9 *“(A) IN GENERAL.—In the case of a new*
10 *qualified plug-in electric drive motor vehicle sold*
11 *during the phaseout period, only the applicable*
12 *percentage of the credit otherwise allowable*
13 *under subsection (a) shall be allowed.*

14 *“(B) PHASEOUT PERIOD.—For purposes of*
15 *this subsection, the phaseout period is the period*
16 *beginning with the second calendar quarter fol-*
17 *lowing the calendar quarter which includes the*
18 *first date on which the total number of such new*
19 *qualified plug-in electric drive motor vehicles*
20 *sold for use in the United States after December*
21 *31, 2008, is at least 250,000.*

22 *“(C) APPLICABLE PERCENTAGE.—For pur-*
23 *poses of subparagraph (A), the applicable per-*
24 *centage is—*

1 “(i) 50 percent for the first 2 calendar
2 quarters of the phaseout period,

3 “(ii) 25 percent for the 3d and 4th cal-
4 endar quarters of the phaseout period, and

5 “(iii) 0 percent for each calendar quar-
6 ter thereafter.

7 “(D) CONTROLLED GROUPS.—Rules similar
8 to the rules of section 30B(f)(4) shall apply for
9 purposes of this subsection.

10 “(c) NEW QUALIFIED PLUG-IN ELECTRIC DRIVE
11 MOTOR VEHICLE.—For purposes of this section, the term
12 ‘new qualified plug-in electric drive motor vehicle’ means
13 a motor vehicle—

14 “(1) which draws propulsion using a traction
15 battery with at least 4 kilowatt hours of capacity,

16 “(2) which uses an offboard source of energy to
17 recharge such battery,

18 “(3) which, in the case of a passenger vehicle or
19 light truck which has a gross vehicle weight rating of
20 not more than 8,500 pounds, has received a certificate
21 of conformity under the Clean Air Act and meets or
22 exceeds the equivalent qualifying California low emis-
23 sion vehicle standard under section 243(e)(2) of the
24 Clean Air Act for that make and model year, and

1 “(A) in the case of a vehicle having a gross
2 vehicle weight rating of 6,000 pounds or less, the
3 Bin 5 Tier II emission standard established in
4 regulations prescribed by the Administrator of
5 the Environmental Protection Agency under sec-
6 tion 202(i) of the Clean Air Act for that make
7 and model year vehicle, and

8 “(B) in the case of a vehicle having a gross
9 vehicle weight rating of more than 6,000 pounds
10 but not more than 8,500 pounds, the Bin 8 Tier
11 II emission standard which is so established,

12 “(4) the original use of which commences with
13 the taxpayer,

14 “(5) which is acquired for use or lease by the
15 taxpayer and not for resale, and

16 “(6) which is made by a manufacturer.

17 “(d) APPLICATION WITH OTHER CREDITS.—

18 “(1) BUSINESS CREDIT TREATED AS PART OF
19 GENERAL BUSINESS CREDIT.—So much of the credit
20 which would be allowed under subsection (a) for any
21 taxable year (determined without regard to this sub-
22 section) that is attributable to property of a character
23 subject to an allowance for depreciation shall be treat-
24 ed as a credit listed in section 38(b) for such taxable
25 year (and not allowed under subsection (a)).

1 “(2) *PERSONAL CREDIT.*—

2 “(A) *IN GENERAL.*—*For purposes of this*
3 *title, the credit allowed under subsection (a) for*
4 *any taxable year (determined after application*
5 *of paragraph (1)) shall be treated as a credit al-*
6 *lowable under subpart A for such taxable year.*

7 “(B) *LIMITATION BASED ON AMOUNT OF*
8 *TAX.*—*In the case of a taxable year to which sec-*
9 *tion 26(a)(2) does not apply, the credit allowed*
10 *under subsection (a) for any taxable year (deter-*
11 *mined after application of paragraph (1)) shall*
12 *not exceed the excess of—*

13 “(i) *the sum of the regular tax liability*
14 *(as defined in section 26(b)) plus the tax*
15 *imposed by section 55, over*

16 “(ii) *the sum of the credits allowable*
17 *under subpart A (other than this section*
18 *and sections 23 and 25D) and section 27*
19 *for the taxable year.*

20 “(e) *OTHER DEFINITIONS AND SPECIAL RULES.*—*For*
21 *purposes of this section—*

22 “(1) *MOTOR VEHICLE.*—*The term ‘motor vehicle’*
23 *has the meaning given such term by section 30(c)(2).*

24 “(2) *OTHER TERMS.*—*The terms ‘passenger auto-*
25 *mobile’, ‘light truck’, and ‘manufacturer’ have the*

1 *meanings given such terms in regulations prescribed*
2 *by the Administrator of the Environmental Protection*
3 *Agency for purposes of the administration of title II*
4 *of the Clean Air Act (42 U.S.C. 7521 et seq.).*

5 “(3) *TRACTION BATTERY CAPACITY.*—*Traction*
6 *battery capacity shall be measured in kilowatt hours*
7 *from a 100 percent state of charge to a zero percent*
8 *state of charge.*

9 “(4) *REDUCTION IN BASIS.*—*For purposes of this*
10 *subtitle, the basis of any property for which a credit*
11 *is allowable under subsection (a) shall be reduced by*
12 *the amount of such credit so allowed.*

13 “(5) *NO DOUBLE BENEFIT.*—*The amount of any*
14 *deduction or other credit allowable under this chapter*
15 *for a new qualified plug-in electric drive motor vehi-*
16 *cle shall be reduced by the amount of credit allowed*
17 *under subsection (a) for such vehicle for the taxable*
18 *year.*

19 “(6) *PROPERTY USED BY TAX-EXEMPT ENTITY.*—
20 *In the case of a vehicle the use of which is described*
21 *in paragraph (3) or (4) of section 50(b) and which*
22 *is not subject to a lease, the person who sold such ve-*
23 *hicle to the person or entity using such vehicle shall*
24 *be treated as the taxpayer that placed such vehicle in*
25 *service, but only if such person clearly discloses to*

1 *such person or entity in a document the amount of*
2 *any credit allowable under subsection (a) with respect*
3 *to such vehicle (determined without regard to sub-*
4 *section (b)(2)).*

5 “(7) *PROPERTY USED OUTSIDE UNITED STATES,*
6 *ETC., NOT QUALIFIED.—No credit shall be allowable*
7 *under subsection (a) with respect to any property re-*
8 *ferred to in section 50(b)(1) or with respect to the*
9 *portion of the cost of any property taken into account*
10 *under section 179.*

11 “(8) *RECAPTURE.—The Secretary shall, by regu-*
12 *lations, provide for recapturing the benefit of any*
13 *credit allowable under subsection (a) with respect to*
14 *any property which ceases to be property eligible for*
15 *such credit (including recapture in the case of a lease*
16 *period of less than the economic life of a vehicle).*

17 “(9) *ELECTION TO NOT TAKE CREDIT.—No credit*
18 *shall be allowed under subsection (a) for any vehicle*
19 *if the taxpayer elects not to have this section apply*
20 *to such vehicle.*

21 “(10) *INTERACTION WITH AIR QUALITY AND*
22 *MOTOR VEHICLE SAFETY STANDARDS.—Unless other-*
23 *wise provided in this section, a motor vehicle shall*
24 *not be considered eligible for a credit under this sec-*
25 *tion unless such vehicle is in compliance with—*

1 “(A) *the applicable provisions of the Clean*
2 *Air Act for the applicable make and model year*
3 *of the vehicle (or applicable air quality provi-*
4 *sions of State law in the case of a State which*
5 *has adopted such provision under a waiver*
6 *under section 209(b) of the Clean Air Act), and*

7 “(B) *the motor vehicle safety provisions of*
8 *sections 30101 through 30169 of title 49, United*
9 *States Code.*

10 “(f) *REGULATIONS.—*

11 “(1) *IN GENERAL.—Except as provided in para-*
12 *graph (2), the Secretary shall promulgate such regula-*
13 *tions as necessary to carry out the provisions of this*
14 *section.*

15 “(2) *COORDINATION IN PRESCRIPTION OF CER-*
16 *TAIN REGULATIONS.—The Secretary of the Treasury,*
17 *in coordination with the Secretary of Transportation*
18 *and the Administrator of the Environmental Protec-*
19 *tion Agency, shall prescribe such regulations as nec-*
20 *essary to determine whether a motor vehicle meets the*
21 *requirements to be eligible for a credit under this sec-*
22 *tion.*

23 “(g) *TERMINATION.—This section shall not apply to*
24 *property purchased after December 31, 2014.”.*

The termination date has been revised to expire in 2011.