

117TH CONGRESS
1ST SESSION

S. 395

To amend the Internal Revenue Code of 1986 to extend certain tax credits related to electric cars, and for other purposes.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 23, 2021

Mr. MERKLEY (for himself, Mr. BOOKER, Mr. SANDERS, Ms. ROSEN, Mr. SCHATZ, and Mr. LEAHY) 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 extend certain tax credits related to electric cars, and for other purposes.

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 “Electric Credit Access
5 Ready at Sale Act of 2021” or the “Electric CARS Act
6 of 2021”.

1 **SEC. 2. EXTENSION AND MODIFICATION OF NEW QUALI-**
2 **FIED PLUG-IN ELECTRIC DRIVE MOTOR VEHI-**
3 **CLES CREDIT.**

4 (a) EXTENSION.—

5 (1) IN GENERAL.—Subsection (e) of section
6 30D of the Internal Revenue Code of 1986 is
7 amended to read as follows:

8 “(e) TERMINATION.—This section shall not apply to
9 any new qualified plug-in electric drive motor vehicle
10 placed in service after December 31, 2031.”.

11 (2) 2- AND 3-WHEELED PLUG-IN ELECTRIC VE-
12 HICLES.—Subparagraph (E) of section 30D(g)(3) of
13 such Code is amended by striking “or” at the end
14 of clause (i), by redesignating clause (ii) as clause
15 (iii), and by inserting after clause (i) the following
16 new clause:

17 “(ii) after December 31, 2020, and
18 before January 1, 2032, or”.

19 (b) CREDIT MAY BE ASSIGNED TO FINANCING ENTI-
20 TY.—Section 30D(f) of the Internal Revenue Code of
21 1986 is amended by adding at the end the following new
22 paragraph:

23 “(8) CREDIT MAY BE ASSIGNED TO FINANCING
24 ENTITY.—

25 “(A) IN GENERAL.—The taxpayer to whom
26 the credit which would (but for this paragraph)

1 be allowed under subsection (a) for any taxable
2 year with respect to a vehicle may assign such
3 credit to the person who financed the purchase
4 (or lease of at least 2 years) of such vehicle.
5 Any person to whom such credit is assigned
6 under the preceding sentence shall be treated
7 for purposes of this title as the taxpayer who
8 placed such vehicle in service.

9 “(B) DISCLOSURE REQUIREMENT.—Sub-
10 paragraph (A) shall not apply with respect to
11 any vehicle unless the person to whom the cred-
12 it is assigned clearly discloses in writing to the
13 taxpayer the amount of the credit allowable
14 under subsection (a) with respect to such vehi-
15 cle (determined without regard to subsection
16 (c)).”.

17 (c) CARRYFORWARD OF UNUSED CREDIT.—Section
18 30D of the Internal Revenue Code of 1986 is amended
19 by redesignating subsection (g) (as amended by subsection
20 (a)(2)) as subsection (h), and by inserting after subsection
21 (f) the following new subsection:

22 “(g) CARRYFORWARD OF UNUSED CREDIT.—

23 “(1) IN GENERAL.—If the credit allowable
24 under subsection (a) (after the application of sub-
25 section (e)) exceeds the limitation imposed by section

1 26(a) for such taxable year reduced by the sum of
2 the credits allowable under this subpart (other than
3 subsection (a) of this section), such excess shall be
4 carried to the succeeding taxable year and treated as
5 a credit allowable under subsection (a) for such suc-
6 ceeding taxable year.

7 “(2) LIMITATION.—No amount of credit may
8 be carried forward under this subsection to any tax-
9 able year following the 5th taxable year after the
10 taxable year in which the credit arose. For purposes
11 of the preceding sentence, credits shall be treated as
12 used on a first-in, first-out basis.”.

13 (d) EFFECTIVE DATES.—

14 (1) EXTENSION.—The amendments made by
15 subsection (a) shall apply to vehicles acquired after
16 December 31, 2020.

17 (2) ASSIGNMENT.—The amendments made by
18 subsection (b) shall apply to vehicles acquired more
19 than 60 days after the date of the enactment of this
20 Act.

21 (3) CARRYFORWARD.—The amendments made
22 by subsection (c) shall apply to vehicles sold after
23 the date of the enactment of this Act.

1 **SEC. 3. EXTENSION OF THE ALTERNATIVE FUEL VEHICLE**
2 **REFUELING PROPERTY CREDIT.**

3 (a) **IN GENERAL.**—Section 30C(g) of the Internal
4 Revenue Code of 1986 is amended by striking “2021” and
5 inserting “2031”.

6 (b) **EFFECTIVE DATE.**—The amendment made by
7 this section shall apply to property placed in service after
8 December 31, 2021.

9 **SEC. 4. EXTENSION OF THE ALTERNATIVE MOTOR VEHICLE**
10 **CREDIT.**

11 (a) **IN GENERAL.**—Paragraph (1) of section 30B(k)
12 of the Internal Revenue Code of 1986 is amended by strik-
13 ing “2021” and inserting “2031”.

14 (b) **EFFECTIVE DATE.**—The amendment made by
15 this section shall apply to property placed in service after
16 December 31, 2021.

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