

108TH CONGRESS
2D SESSION

H. R. 4931

To amend the Internal Revenue Code of 1986 to encourage and accelerate the nationwide production, retail sale, and consumer use of new commercial and consumer motor vehicles with intelligent vehicle technology systems.

IN THE HOUSE OF REPRESENTATIVES

JULY 22, 2004

Mr. CRANE (for himself, Mr. ROGERS of Michigan, and Mr. LEVIN) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to encourage and accelerate the nationwide production, retail sale, and consumer use of new commercial and consumer motor vehicles with intelligent vehicle technology systems.

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 “Intelligent Vehicle
5 Highway Safety Act of 2004”.

1 **SEC. 2. DEDUCTION FOR INTELLIGENT VEHICLE TECH-**
2 **NOLOGY SYSTEMS.**

3 (a) IN GENERAL.—Part VI of subchapter B of chap-
4 ter 1 of the Internal Revenue Code of 1986 (relating to
5 itemized deductions for individuals and corporations) is
6 amended by adding at the end the following new section:

7 **“SEC. 199. INTELLIGENT VEHICLE SYSTEMS PROPERTY.**

8 “(a) DEDUCTION ALLOWED.—There shall be allowed
9 as a deduction for the taxable year an amount equal to
10 the amount paid or incurred by the taxpayer for qualified
11 intelligent vehicle systems property. The deduction under
12 the preceding sentence with respect to any property shall
13 be allowed for the taxable year in which such property is
14 placed in service.

15 “(b) LIMITATION.—

16 “(1) IN GENERAL.—The amount allowed as a
17 deduction under subsection (a) with respect to any
18 motor vehicle shall not exceed \$1,000.

19 “(2) PHASEOUT.—In the case of any qualified
20 intelligent vehicle systems property placed in service
21 after December 31, 2007, the limit otherwise appli-
22 cable under paragraph (1) shall be reduced by—

23 “(A) 25 percent in the case of property
24 placed in service in calendar year 2008,

25 “(B) 50 percent in the case of property
26 placed in service in calendar year 2009, and

1 “(C) 75 percent in the case of property
2 placed in service in calendar year 2010.

3 “(c) QUALIFIED INTELLIGENT VEHICLE SYSTEMS
4 PROPERTY.—For purposes of this section—

5 “(1) IN GENERAL.—The term ‘qualified intel-
6 ligent vehicle systems property’ means any device de-
7 scribed in paragraph (2) if such device—

8 “(A) is an integrated, in-vehicle electronic
9 device installed in a motor vehicle at the point
10 of manufacture by the original equipment man-
11 ufacturer, or as an aftermarket installation, and

12 “(B) enhances the safety or security of the
13 driver, passenger, or load.

14 “(2) DEVICES DESCRIBED.—A device described
15 in this paragraph is a device which—

16 “(A) is a device that warns or informs a
17 driver of driving conditions or location, such as
18 collision warning systems, automated collision
19 notification systems, vehicle rollover warning
20 systems, lane departure warning systems, and
21 fatigue management systems,

22 “(B) is a positional communications and
23 tracking device,

1 “(C) assists in verification of driver iden-
2 tity, such as biometric identifiers and electronic
3 ignition locks,

4 “(D) is an electronic seal,

5 “(E) is a roll stability control system, or

6 “(F) actively monitors and adjusts driver
7 workload.

8 “(3) MOTOR VEHICLE.—The term ‘motor vehi-
9 cle’ means any vehicle which is manufactured pri-
10 marily for use on public streets, roads, and highways
11 (not including a vehicle operated exclusively on a rail
12 or rails) and which has at least 4 wheels.

13 “(d) SPECIAL RULES.—

14 “(1) PROPERTY USED OUTSIDE UNITED
15 STATES, ETC., NOT QUALIFIED.—No deduction shall
16 be allowed under subsection (a) with respect to any
17 property referred to in section 50(b) or with respect
18 to the portion of the cost of any property taken into
19 account under section 179.

20 “(2) BASIS REDUCTION.—

21 “(A) IN GENERAL.—For purposes of this
22 title, the basis of any property shall be reduced
23 by the portion of the cost of such property
24 taken into account under subsection (a).

1 “(B) ORDINARY INCOME RECAPTURE.—

2 For purposes of section 1245, the amount of
3 the deduction allowable under subsection (a)
4 with respect to any property which is of a char-
5 acter subject to the allowance for depreciation
6 shall be treated as a deduction allowed for de-
7 preciation under section 167.

8 “(e) SUPPORTING DOCUMENTATION.—No deduction
9 shall be allowed under subsection (a) unless the taxpayer
10 receives, at the time of purchase of the qualified intelligent
11 vehicle systems property, such documentation as the Sec-
12 retary may require. Such documentation shall identify the
13 type of each intelligent vehicle systems property installed
14 on the motor vehicle, retail cost of each such system, the
15 purchase date of the motor vehicle containing such sys-
16 tems (or the installation date of such systems in the case
17 of installation after the date of the first retail sale (as
18 defined in section 4052(a)).

19 “(f) TERMINATION.—This section shall not apply to
20 any property placed in service after December 31, 2010.”.

21 (b) DEDUCTION ALLOWED WHETHER OR NOT INDIV-
22 IDUAL ITEMIZES OTHER DEDUCTIONS.—Subsection (a)
23 of section 62 of such Code is amended by inserting after
24 paragraph (19) the following new paragraph:

1 “(20) INTELLIGENT VEHICLE SYSTEMS PROP-
2 ERTY.—The deduction allowed by section 199.”.

3 (c) CONFORMING AMENDMENTS.—

4 (1) Subsection (a) of section 1016 of such Code
5 is amended by striking “and” at the end of para-
6 graph (27), by striking the period at the end of
7 paragraph (28) and inserting “; and”, and by add-
8 ing at the end the following new paragraph:

9 “(29) to the extent provided in section
10 199(d)(2).”.

11 (2) Subparagraph (C) of section 1245(a)(2) of
12 such Code is amended by striking “or 193” and in-
13 serting “193, or 199”.

14 (d) CLERICAL AMENDMENT.—The table of sections
15 for part VI of subchapter B of chapter 1 of such Code
16 is amended by adding at the end the following new item:

 “Sec. 199. Intelligent vehicle systems property.”.

17 (e) EFFECTIVE DATE.—The amendments made by
18 this section shall apply to taxable years beginning after
19 December 31, 2004.

20 **SEC. 3. INTELLIGENT VEHICLE SYSTEMS PROPERTY EX-**
21 **CEPTION TO TAX ON HEAVY TRUCKS AND**
22 **TRAILERS SOLD AT RETAIL.**

23 (a) IN GENERAL.—Section 4051 of the Internal Rev-
24 enue Code of 1986 (relating to imposition of tax on heavy
25 trucks and trailers sold at retail) is amended by redesignig-

1 nating subsection (c) as subsection (d) and by inserting
 2 after subsection (b) the following new subsection:

3 “(c) EXCLUSION FOR INTELLIGENT VEHICLE SYS-
 4 TEMS PROPERTY.—

5 “(1) IN GENERAL.—The tax imposed by sub-
 6 sections (a) and (b) shall not apply to any article
 7 which is qualified intelligent vehicle systems prop-
 8 erty.

9 “(2) LIMITATION.—The amount excluded by
 10 paragraph (1) shall not exceed \$5,000 with respect
 11 to any article which is a chassis, body, trailer, or
 12 tractor described in a subparagraph of paragraph
 13 (1).

14 “(3) QUALIFIED INTELLIGENT VEHICLE SYS-
 15 TEMS PROPERTY.—The term ‘qualified intelligent ve-
 16 hicle system property’ shall have the meaning given
 17 such term by section 199(c).”.

18 (b) EFFECTIVE DATE.—The amendments made by
 19 this section shall apply to articles sold after December 31,
 20 2004.

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