

109TH CONGRESS
1ST SESSION

H. R. 4458

To amend the Internal Revenue Code of 1986 to increase the credit for certain alternative motor vehicles assembled in the United States and to increase the credit for research related to alternative motor vehicle technology.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 7, 2005

Mr. EMANUEL 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 increase the credit for certain alternative motor vehicles assembled in the United States and to increase the credit for research related to alternative motor vehicle technology.

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 “American Hybrid Tax
5 Credit Act of 2005”.

1 **SEC. 2. INCREASED CREDIT AMOUNT FOR ALTERNATIVE**
2 **MOTOR VEHICLES ASSEMBLED IN THE**
3 **UNITED STATES.**

4 (a) INCREASED CREDIT AMOUNT.—

5 (1) NEW QUALIFIED FUEL CELL MOTOR VEHI-
6 CLE CREDIT.—Subsection (b) of section 30B of the
7 Internal Revenue Code of 1986 (relating to alter-
8 native motor vehicle credit) is amended by inserting
9 at the end the following new paragraph:

10 “(4) DOMESTIC ASSEMBLY INCREASE.—Except
11 as provided in subsection (h)(11), the amount deter-
12 mined under paragraph (1) with respect to a new
13 qualified fuel cell motor vehicle which is assembled
14 in the United States shall be increased by \$3,000.”.

15 (2) NEW ADVANCED LEAN BURN TECHNOLOGY
16 MOTOR VEHICLE CREDIT.—Subsection (c)(2) of such
17 section of such Code is amended by inserting at the
18 end the following new subparagraph:

19 “(C) DOMESTIC ASSEMBLY INCREASE.—
20 Except as provided in subsection (h)(11), the
21 amount determined under this paragraph with
22 respect to a new advanced lean burn technology
23 motor vehicle which is assembled in the United
24 States shall be increased by \$3,000.”.

25 (3) NEW QUALIFIED HYBRID MOTOR VEHICLE
26 CREDIT.—Subsection (d)(2) of such section of such

1 credit is amended by inserting at the end the fol-
2 lowing new subparagraph:

3 “(C) DOMESTIC ASSEMBLY INCREASE.—

4 Except as provided in subsection (h)(11), the
5 amount determined under this paragraph with
6 respect to a new qualified hybrid motor vehicle
7 which is assembled in the United States shall
8 be increased by \$3,000.”.

9 (4) NEW QUALIFIED ALTERNATIVE FUEL
10 MOTOR VEHICLE CREDIT.—Subsection (e) of such
11 section of such Code is amended by inserting at the
12 end the following new paragraph:

13 “(6) DOMESTIC ASSEMBLY INCREASE.—Except
14 as provided in subsection (h)(11), the amount deter-
15 mined under paragraph (1) with respect to a new
16 advanced qualified alternative fuel motor vehicle
17 which is assembled in the United States shall be in-
18 creased by \$3,000.”.

19 (5) DOLLAR LIMITATION.—Subsection (h) of
20 such section of such Code is amended by inserting
21 at the end the following new paragraph:

22 “(11) DOLLAR LIMITATION.—In determining
23 the amount of the credit allowed under this section
24 for a taxpayer during a taxable year, the total dollar
25 amount of the increases described in subsections

1 (b)(4), (c)(2)(C), (d)(2)(C), and (e)(6) with respect
 2 to such taxpayer during the taxable year shall not
 3 exceed \$6,000.”.

4 (b) EFFECTIVE DATE.—The amendments made by
 5 this section shall take effect as if included in section 1341
 6 of the Energy Policy Act of 2005.

7 **SEC. 3. INCREASED CREDIT AMOUNT FOR RESEARCH RE-**
 8 **LATED TO ALTERNATIVE MOTOR VEHICLE**
 9 **TECHNOLOGY.**

10 (a) RESEARCH CREDIT.—Section 41 (relating to
 11 credit for increasing research activities) is amended by
 12 adding at the end the following new subsection:

13 “(i) CERTAIN TECHNOLOGIES.—

14 “(1) INCREASED CREDIT AMOUNT.—In the case
 15 of expenses relating to a technology described in
 16 paragraph (2), subsection (a)(1) shall be applied by
 17 substituting ‘40 percent’ for ‘20 percent’.

18 “(2) TECHNOLOGY DESCRIBED.—A technology
 19 described in this paragraph is a technology which
 20 enables a vehicle to qualify for the alternative motor
 21 vehicle credit under section 30B, as determined by
 22 the Secretary, and which is—

23 “(A) a fuel cell described in section
 24 30B(b)(3),

1 “(B) a hybrid motor vehicle technology de-
2 scribed in paragraphs (2) or (3) of section
3 30B(c),

4 “(C) an alternative fuel motor vehicle tech-
5 nology described in section 30B(d)(4),

6 “(D) an advanced diesel motor vehicle
7 technology described in section 30B(e), or

8 “(E) an energy storage technology for
9 motor vehicles.

10 “(3) DOMESTIC PRODUCTION REQUIREMENT.—
11 An expense shall be treated as not described in para-
12 graph (1) unless any research qualified under this
13 section is conducted substantially within the United
14 States.

15 “(4) TECHNOLOGY PORTION OF CREDIT RE-
16 FUNDABLE FOR SMALL BUSINESSES.—

17 “(A) IN GENERAL.—In the case of an eligi-
18 ble small business, the portion of the credit
19 which is attributable to expenses relating to
20 technologies described in paragraph (2) and
21 which would (but for subparagraph (B)) be al-
22 lowable under this section shall be treated for
23 purposes of this title as a credit allowed under
24 subpart C.

1 “(B) NO DOUBLE BENEFIT.—The amount
2 of the credit allowed under this section shall be
3 reduced by the amount of any credit treated as
4 allowed under subpart C by reason of subpara-
5 graph (A).

6 “(C) ELIGIBLE SMALL BUSINESS.—For
7 purposes of this paragraph, a taxpayer is an eli-
8 gible small business for any taxable year if the
9 average annual gross receipts of the taxpayer
10 for the 3 preceding taxable years do not exceed
11 \$5,000,000. For purposes of the preceding sen-
12 tence, rules similar to the rules of paragraphs
13 (2) and (3) of section 448(c) shall apply.”.

14 (b) EFFECTIVE DATE.—The amendments made by
15 this section shall apply to taxable years beginning after
16 December 31, 2005.

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