

110TH CONGRESS
1ST SESSION

H. R. 1618

To amend the Internal Revenue Code of 1986 to provide a credit for the purchase of plug-in hybrid vehicles.

IN THE HOUSE OF REPRESENTATIVES

MARCH 21, 2007

Mr. CAMP of Michigan 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 provide a credit for the purchase of plug-in hybrid vehicles.

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. CREDIT FOR PLUG-IN HYBRID VEHICLES.**

4 (a) IN GENERAL.—Subpart B of part IV of sub-
5 chapter A of chapter 1 of the Internal Revenue Code of
6 1986 (relating to other credits) is amended by adding at
7 the end the following new section:

8 **“SEC. 30D. PLUG-IN HYBRID VEHICLES.**

9 “(a) ALLOWANCE OF CREDIT.—There shall be al-
10 lowed as a credit against the tax imposed by this chapter

1 for the taxable year an amount equal to 10 percent of the
2 cost of any qualified plug-in hybrid vehicle placed in serv-
3 ice by the taxpayer during the taxable year.

4 “(b) LIMITATIONS.—

5 “(1) LIMITATION PER VEHICLE.—The amount
6 of the credit allowed under subsection (a) for any ve-
7 hicle shall not exceed the sum of—

8 “(A) \$4,000 in the case of a plug-in elec-
9 tric drive vehicle with 4kWh traction battery,
10 and

11 “(B) \$250 for each additional kWh of
12 traction battery capacity of such vehicle as ex-
13 ceeds 4kWh but does not exceed 50kWh.

14 “(2) APPLICATION WITH OTHER CREDITS.—

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

1 “(B) PERSONAL CREDITS.—The credit al-
2 lowed by subsection (a) for any taxable year
3 shall not exceed the excess (if any) of—

4 “(i) the sum of the regular tax liabil-
5 ity (as defined in section 26(b)) plus the
6 tax imposed by section 55, over

7 “(ii) the sum of the credits allowable
8 under subpart A and subpart B (other
9 than this section).

10 “(c) QUALIFIED PLUG-IN HYBRID VEHICLE.—For
11 purposes of this section—

12 “(1) IN GENERAL.—The term ‘qualified plug-in
13 hybrid vehicle’ means a motor vehicle (as defined in
14 section 30(c)(2))—

15 “(A) the original use of which commences
16 with the taxpayer,

17 “(B) which is acquired for use or lease by
18 the taxpayer and not for resale,

19 “(C) which is made by a manufacturer,

20 “(D) which has received a certificate of
21 conformity under the Clean Air Act, and

22 “(E) which has not less than 2 onboard
23 sources of stored energy, different in character
24 from each other, from which to draw propulsion
25 energy, where—

1 “(i) at least 1 of such sources is ener-
2 gized by plugging into an external source
3 of electric power, and

4 “(ii) at least 1 of such sources is ener-
5 gized from an internal combustion engine,
6 fuel cell, or other means, and such source
7 is utilized to provide mechanical propulsion
8 to the vehicle.

9 “(2) EXCEPTION.—The term ‘qualified plug-in
10 hybrid vehicle’ shall not include any vehicle which is
11 not a passenger automobile or light truck if such ve-
12 hicle has a gross vehicle weight rating of less than
13 8,500 pounds.

14 “(3) OTHER TERMS.—The terms “automobile”,
15 “passenger automobile”, “light truck”, and “manu-
16 facturer” have the meanings given such terms in
17 regulations prescribed by the Administrator of the
18 Environmental Protection Agency for purposes of
19 the administration of title II of the Clean Air Act
20 (42 U.S.C. 7521 et seq.).

21 “(4) KWH TRACTION BATTERY CAPACITY.—The
22 term ‘kWh traction battery capacity’ means the size
23 of an electro chemical storage device, expressed in
24 kWh, as measured from a 100 percent state of
25 charge to 0 percent state of charge.

1 “(d) SPECIAL RULES.—

2 “(1) BASIS REDUCTION.—The basis of any
3 property for which a credit is allowable under sub-
4 section (a) shall be reduced by the amount of such
5 credit (determined without regard to subsection
6 (b)(2)).

7 “(2) RECAPTURE.—The Secretary shall, by reg-
8 ulations, provide for recapturing the benefit of any
9 credit allowable under subsection (a) with respect to
10 any property which ceases to be property eligible for
11 such credit.

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

18 “(4) DENIAL OF DOUBLE BENEFIT.—No credit
19 shall be allowed under this section with respect to a
20 vehicle if a credit or deduction is allowed with re-
21 spect to such vehicle under any other provision of
22 this title.

23 “(5) ELECTION NOT TO TAKE CREDIT.—No
24 credit shall be allowed under subsection (a) for any

1 vehicle if the taxpayer elects to not have this section
2 apply to such vehicle.

3 “(6) PROPERTY USED BY TAX-EXEMPT ENTITY;
4 INTERACTION WITH AIR QUALITY AND MOTOR VEHI-
5 CLE SAFETY STANDARDS.—Rules similar to the rules
6 of paragraphs (6) and (10) of section 30B(h) shall
7 apply for purposes of this section.

8 “(e) TERMINATION.—This section shall not apply to
9 any property placed in service after December 31, 2014.”.

10 (b) PLUG-IN HYBRID VEHICLES NOT COUNTED TO-
11 WARD LIMITATION ON NUMBER OF NEW QUALIFIED HY-
12 BRID VEHICLES ELIGIBLE FOR 30B CREDIT.—Section
13 (30)(B)(f)(5) of such Code (defining qualified vehicle) is
14 amended by adding at the end the following new sentence:
15 “Such term shall not include a qualified plug-in hybrid
16 vehicle (as defined in section 30D(c)).”.

17 (c) CREDIT MADE PART OF GENERAL BUSINESS
18 CREDIT.—Section 38(b) of such Code is amended by strik-
19 ing “and” at the end of paragraph (30), by striking the
20 period at the end of paragraph (31) and inserting “, plus”,
21 and by adding at the end the following new paragraph:

22 “(32) the portion of the plug-in hybrid vehicle
23 credit to which section 30D(b)(2)(A) applies.”.

1 (d) CONFORMING AMENDMENT.—Section 6501(m) of
2 such Code is amended by inserting “30D(d)(5),” after
3 “30C(e)(5),”.

4 (e) EFFECTIVE DATE.—The amendments made by
5 this section shall apply to taxable years beginning after
6 December 31, 2007.

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