

110TH CONGRESS
1ST SESSION

H. R. 182

To amend the Internal Revenue Code of 1986 to impose an excise tax on automobiles sold in the United States that are not alternative fueled automobiles, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 4, 2007

Ms. ZOE LOFGREN of California introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Internal Revenue Code of 1986 to impose an excise tax on automobiles sold in the United States that are not alternative fueled automobiles, 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 “To Encourage Alter-
5 natively fueled vehicle Manufacturing up for Energy Inde-
6 pendence Act of 2007” or the “TEAM up for Energy
7 Independence Act”.

1 **SEC. 2. FINDINGS.**

2 The Congress finds that—

3 (1) Climate change threatens the security and
4 stability of our planet. The temperature of the Earth
5 is increasing at a rate unseen in modern times. The
6 rate of warming has been nearly 3 times the cen-
7 tury-long average since 1970.

8 (2) Climate forecasters predict that if green-
9 house gases continue to accumulate in the atmos-
10 phere at the current rate, temperatures will rise dra-
11 matically, weather patterns sharply shift, ice sheets
12 shrink, and sea levels will rise.

13 (3) Climate scientists agree that human activi-
14 ties are the driving force behind the rise in global
15 temperatures. Smokestacks and automobile emis-
16 sions have been primary contributors of carbon diox-
17 ide and other heat-trapping gases that significantly
18 contribute to the warming trend.

19 (4) In addition to the alarming data about cli-
20 mate change, rising gas prices and instability in oil
21 producing regions have reinforced the need for the
22 United States to secure our energy independence,
23 and make progress by developing and distributing
24 alternatively fueled vehicles.

1 (5) Alternative fueled cars can lessen the im-
2 pact of climate change, and help provide for the sta-
3 bility and safety of the world.

4 (6) Biodiesel helps to provide hope that our
5 country can achieve sustainable energy independence
6 and combat the effects of global warming.

7 (7) Vehicles which utilize E-85 ethanol fuel
8 could reduce our usage of petroleum fuels by up to
9 40 percent.

10 (8) Currently, there are just 6,000,000 E-85
11 capable vehicles on United States roads, compared
12 to approximately 230,000,000 gasoline and diesel
13 fueled vehicles.

14 (9) Just 993 fueling stations in the United
15 States currently provide E-85 fuel, accounting for
16 less than one percent of fueling stations. Only 635
17 retail pumps currently provide consumers with bio-
18 diesel fuel.

19 (10) Congress must do more to make alter-
20 native fueled vehicles practical and accessible to ev-
21 eryone.

1 **SEC. 3. EXCISE TAX ON AUTOMOBILES SOLD IN UNITED**
 2 **STATES THAT ARE NOT ALTERNATIVE**
 3 **FUELED AUTOMOBILES.**

4 (a) IN GENERAL.—Part I of subchapter A of chapter
 5 32 of the Internal Revenue Code of 1986 is amended by
 6 inserting before section 4064 the following new section:

7 **“SEC. 4061. AUTOMOBILES THAT ARE NOT ALTERNATIVE**
 8 **FUELED AUTOMOBILES.**

9 “(a) TAX IMPOSED.—

10 “(1) IN GENERAL.—There is hereby imposed on
 11 the 1st retail sale of each passenger automobile sold
 12 by the manufacturer, producer, or importer thereof
 13 a tax in the amount of the applicable percentage of
 14 the price for which so sold.

15 “(2) EXCEPTION FOR ALTERNATIVE FUELED
 16 AUTOMOBILES.—Paragraph (1) shall not apply to
 17 any alternative fueled automobile.

18 “(b) APPLICABLE PERCENTAGE.—For purposes of
 19 subsection (a), the applicable percentage shall be deter-
 20 mined in accordance with the following table:

“Passenger automobiles sold in calendar year:	The appli- cable per- centage is:
2007	5 percent
2008	10 percent
2009	20 percent
2010	40 percent
2011 or thereafter	80 percent.

1 “(c) DEFINITIONS.—For purposes of subsection
2 (a)—

3 “(1) PASSENGER AUTOMOBILE.—The term
4 ‘passenger automobile’ has the meaning given such
5 term by section 32901(a)(16) of title 49, United
6 States Code, except that such term includes in the
7 case of each automobile parts or accessories therefor
8 sold on or in connection therewith or with the sale
9 thereof.

10 “(2) ALTERNATIVE FUELED AUTOMOBILE.—
11 The term ‘alternative fueled automobile’ means an
12 alternative fueled automobile, as defined by section
13 32901(a)(2) of title 49, United States Code, that
14 uses a fuel that has greenhouse gas emissions less
15 than 80 percent of those from petroleum-derived
16 transportation fuel, calculated over the full fuel cycle
17 (as weighted by global warming potential and using
18 the emissions per kilowatt-hour from a natural gas
19 combined cycle power plant as the basis for crediting
20 any electricity co-produced with the transportation
21 fuel).

22 “(3) APPLICATION OF SECTION 32901 OF TITLE
23 49.—Section 32901(a) of title 49, United States
24 Code, shall be applied—

25 “(A) in paragraph (3)—

1 “(i) by substituting ‘10,000 pounds’
 2 for ‘6,000 pounds’ in subparagraph (A)
 3 thereof, and
 4 “(ii) without regard to subparagraph
 5 (B) thereof, and
 6 “(B) in paragraph (16)(B) by substituting
 7 ‘10,000 pounds’ for ‘6,000 pounds’.”.

8 (b) CONFORMING AMENDMENTS.—

9 (1) The heading for part I of subchapter A of
 10 chapter 32 of such Code is amended to read as fol-
 11 lows:

12 **“PART I—NON-ALTERNATIVE FUEL VEHICLES**
 13 **AND GAS GUZZLERS”.**

14 (2) The item in the table of parts for sub-
 15 chapter A of chapter 32 of such Code relating to
 16 part I is amended to read as follows:

“PART I. NON-ALTERNATIVE FUEL VEHICLES AND GAS GUZZLERS.”.

17 (3) The table of sections for part I of sub-
 18 chapter A of chapter 32 of such Code is amended to
 19 read as follows:

“Sec. 4061. Automobiles that are not alternative fueled automobiles.”.

20 (c) EFFECTIVE DATE.—The amendments made by
 21 this section shall apply to automobiles sold after December
 22 31, 2006.

1 **SEC. 4. USE OF FUNDS FROM TAX.**

2 (a) REFUELING INFRASTRUCTURE GRANTS.—The
3 Secretary of Energy shall obligate such sums as are avail-
4 able in the trust fund to make grants to fueling stations
5 owned by entities which own or control 10 or fewer such
6 businesses for alternative fuel refueling infrastructure
7 projects, including new dispensing facilities and additional
8 equipment or upgrades and improvements to existing re-
9 fueling sites for alternative fuel vehicles.

10 (b) TRUST FUND.—

11 (1) ESTABLISHMENT.—There is established in
12 the Treasury of the United States a trust fund. The
13 trust fund shall consist of such amounts as are de-
14 posited into the trust fund under paragraph (2) and
15 any interest earned on investment of amounts in the
16 trust fund, and may be used only for the purposes
17 described in subsection (a).

18 (2) SOURCE OF FUNDS.—The Secretary of the
19 Treasury shall deposit into the trust fund all
20 amounts collected pursuant to the tax imposed
21 under section 4061 of the Internal Revenue Code of
22 1986, as added by section 3 of this Act.

23 (c) DEFINITIONS.—For purposes of this section—

24 (1) the term “alternative fuel” means an alter-
25 native fuel, as defined in section 301(2) of the En-
26 ergy Policy Act of 1992 (42 U.S.C. 13211(2)) that

1 has greenhouse gas emissions less than 80 percent
 2 of those from petroleum-derived transportation fuel,
 3 calculated over the full fuel cycle (as weighted by
 4 global warming potential and using the emissions
 5 per kilowatt-hour from a natural gas combined cycle
 6 power plant as the basis for crediting any electricity
 7 co-produced with the transportation fuel);

8 (2) the term “E-85 fuel” means a transpor-
 9 tation fuel consisting of 85 percent ethanol and gas-
 10 oline; and

11 (3) the term “trust fund” means the trust fund
 12 established under subsection (b).

13 **SEC. 5. INFORMATION DISCLOSURE RELATED TO ALTER-**
 14 **NATIVE FUELED AUTOMOBILES.**

15 Section 3 of the Automobile Information Disclosure
 16 Act (15 U.S.C. 1232) is amended by redesignating sub-
 17 sections (b) through (h) as subsections (c) through (i), re-
 18 spectively, and inserting after subsection (a) the following:

19 “(b) whether such automobile is an alternative
 20 fueled automobile (as defined in section 32901(a)(2)
 21 of title 49, United States Code) and the type or
 22 types of fuel on which the automobile is capable of
 23 operating;”.

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