

110TH CONGRESS
1ST SESSION

H. R. 2481

To amend the Internal Revenue Code of 1986 to repeal the limitation on the number of new qualified hybrid and advanced lean-burn technology vehicles eligible for the alternative motor vehicle credit and to provide for a credit for manufacturing hybrid vehicles.

IN THE HOUSE OF REPRESENTATIVES

MAY 24, 2007

Mr. HILL 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 repeal the limitation on the number of new qualified hybrid and advanced lean-burn technology vehicles eligible for the alternative motor vehicle credit and to provide for a credit for manufacturing 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. SHORT TITLE.**

4 This Act may be cited as the “Fuel Efficiency En-
5 couragement Act of 2007”.

1 **SEC. 2. REPEAL OF VOLUME LIMITATION ON VEHICLES ELI-**
2 **GIBLE FOR ALTERNATIVE MOTOR VEHICLE**
3 **CREDIT.**

4 (a) IN GENERAL.—Section 30B of the Internal Rev-
5 enue Code of 1986 (relating to alternative motor vehicle
6 credit) is amended by striking subsection (f).

7 (b) EFFECTIVE DATE.—The amendment made by
8 subsection (a) shall apply to cars manufactured after De-
9 cember 31, 2006.

10 **SEC. 3. CREDIT FOR MANUFACTURING NEW QUALIFIED HY-**
11 **BRID MOTOR VEHICLES.**

12 (a) IN GENERAL.—Subpart D of part IV of sub-
13 chapter 1 of the Internal Revenue Code of 1986 is amend-
14 ed by inserting after section 45N the following new sec-
15 tion:

16 **“SEC. 45O. CREDIT FOR MANUFACTURING NEW QUALIFIED**
17 **HYBRID MOTOR VEHICLES.**

18 “(a) IN GENERAL.—For purposes of section 38, the
19 new qualified hybrid motor vehicle manufacturing credit
20 determined under this section for any taxable year is
21 \$1,000 for each new qualified hybrid motor vehicle manu-
22 factured by the taxpayer during the taxable year.

23 “(b) NEW QUALIFIED HYBRID MOTOR VEHICLE.—
24 For purposes of this section, the term ‘new qualified hy-
25 brid motor vehicle’ means a motor vehicle described in sec-
26 tion 30B(d)(3) which—

1 “(1) is made in the United States by a manu-
2 facturer,

3 “(2) is manufactured after the date of the en-
4 actment of this section, and

5 “(3) meets or exceeds the minimum fuel econ-
6 omy standards and conservation standards described
7 in section 30B(d)(2)(A) for the vehicle model and
8 weight class of such motor vehicle.

9 “(c) DEFINITIONS AND SPECIAL RULES.—

10 “(1) MOTOR VEHICLE.—The term ‘motor vehi-
11 cle’ has the meaning given such term by section
12 30(c)(2).

13 “(2) BASIS REDUCTION.—The basis of any
14 property for which a credit is determined under sub-
15 section (a) shall be reduced by the amount of the
16 credit so determined.

17 “(3) ELECTION NOT TO TAKE CREDIT.—No
18 credit shall be determined under subsection (a) for
19 any vehicle if the taxpayer elects not to have this
20 section apply to such vehicle.”.

21 (b) DENIAL OF DOUBLE BENEFIT.—Section 280C of
22 such Code is amended by adding at the end the following
23 new subsection:

24 “(f) CREDIT FOR MANUFACTURING NEW QUALIFIED
25 HYBRID MOTOR VEHICLES.—No deduction shall be al-

1 lowed for that portion of the expenses otherwise allowable
2 as a deduction for the taxable year which is equal to the
3 amount of the credit determined for the taxable year
4 under section 45O(a).”.

5 (c) CONFORMING AMENDMENTS.—

6 (1) Section 38(b) of such Code is amended by
7 striking “plus” at the end of paragraph (30), by
8 striking the period at the end of paragraph (31) and
9 inserting “, plus”, and by adding at the end the fol-
10 lowing:

11 “(32) the new qualified hybrid motor vehicle
12 manufacturing credit determined under section
13 45O(a).”.

14 (2) Section 1016(a) of such Code is amended
15 by striking “and” at the end of paragraph (37), by
16 striking the period at the end of paragraph (38) and
17 inserting “, and”, and by adding at the end the fol-
18 lowing new paragraph:

19 “(38) to the extent provided in section
20 30D(c)(2).”.

21 (3) Section 6501(m) of such Code is amended
22 by inserting “30D(c)(3),” after “30C(e)(5),”.

23 (4) The table of sections for subpart D of part
24 IV of subchapter A of chapter 1 of such Code is

1 amended by inserting after the item relating to sec-
2 tion 45N the following new item:

“Sec. 45O. Credit for manufacturing new qualified hybrid motor vehicles.”.

3 (d) **EFFECTIVE DATE.**—The amendments made by
4 this section shall apply to taxable years ending after the
5 date of the enactment of this Act.

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