

110TH CONGRESS
2D SESSION

S. 3506

To amend the Internal Revenue Code of 1986 to increase the credit for purchase of vehicles fueled by natural gas or liquefied natural gas and to amend the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users to reauthorize the Clean School Bus Program of the Environmental Protection Agency.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 17, 2008

Mr. REID (for Mr. OBAMA) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to increase the credit for purchase of vehicles fueled by natural gas or liquefied natural gas and to amend the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users to reauthorize the Clean School Bus Program of the Environmental Protection Agency.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. INCREASED CREDIT FOR PURCHASE OF VEHI-**
 2 **CLES FUELED BY NATURAL GAS OR**
 3 **LIQUIFIED NATURAL GAS; EXTENSION OF**
 4 **CREDIT.**

5 (a) IN GENERAL.—Subsection (e) of section 30B of
 6 the Internal Revenue Code of 1986 (relating to new quali-
 7 fied alternative motor vehicle credit) is amended by adding
 8 at the end the following new paragraph:

9 “(6) INCREASED CREDIT FOR NATURAL GAS VE-
 10 HICLES.—

11 “(A) INCREASED CREDIT PERCENTAGE.—
 12 In the case of any natural gas vehicle, the ap-
 13 plicable percentage under paragraph (2) shall
 14 be 100 percent.

15 “(B) HIGHER INCREMENTAL COST LIMITS
 16 FOR FLEET PURCHASERS.—In the case of a
 17 taxpayer who places in service 100 or more nat-
 18 ural gas vehicles during the taxable year, para-
 19 graph (3) shall be applied for such year by dou-
 20 bling the amounts contained in such paragraph.

21 “(C) NATURAL GAS VEHICLE.—For pur-
 22 poses of this paragraph, the term ‘natural gas
 23 vehicle’ means any new qualified alternative fuel
 24 motor vehicle fueled by natural gas or liquified
 25 natural gas.”.

1 (b) EXTENSION OF CREDIT FOR ALL NEW QUALI-
 2 FIED ALTERNATIVE FUEL VEHICLES THROUGH 2017.—
 3 Paragraph (4) of section 30B(j) of such Code is amended
 4 by striking “December 31, 2010” and inserting “Decem-
 5 ber 31, 2017”.

6 (c) EFFECTIVE DATE.—The amendments made by
 7 this section shall apply to vehicles placed in service after
 8 December 31, 2008, in taxable years ending after such
 9 date.

10 **SEC. 2. CLEAN SCHOOL BUS PROGRAM.**

11 (a) IN GENERAL.—Section 6015 of the Safe, Ac-
 12 countable, Flexible, Efficient Transportation Equity Act:
 13 A Legacy for Users (42 U.S.C. 16091a) is amended—

14 (1) in subsection (b)(5)—

15 (A) in subparagraph (A)—

16 (i) in the subparagraph heading, by
 17 striking “50” and inserting “75”; and

18 (ii) in the matter preceding clause (i),
 19 by striking “one-half” and inserting “75
 20 percent”; and

21 (B) in subparagraph (B)—

22 (i) in the subparagraph heading, by
 23 striking “25” and inserting “50”; and

1 (ii) in the matter preceding clause (i),
 2 by striking “one-fourth” and inserting “50
 3 percent”; and

4 (2) in subsection (d)—

5 (A) in paragraph (1), by striking “and” at
 6 the end;

7 (B) in paragraph (2), by striking “2008,
 8 2009, and 2010.” and inserting “2008 and
 9 2009; and”; and

10 (C) by adding at the end the following:

11 “(3) \$110,000,000 for each of fiscal years 2010
 12 through 2015.”.

13 (b) TECHNICAL CORRECTION.—Section 741 of the
 14 Energy Policy Act of 2005 (42 U.S.C. 16091) is repealed.

15 **SEC. 3. NATURAL GAS VEHICLES IN FEDERAL FLEET.**

16 The Administrator of General Services, in consulta-
 17 tion with the Administrator of the Environmental Protec-
 18 tion Agency, shall conduct, and submit to Congress a re-
 19 port describing the results of, a study to determine wheth-
 20 er and the extent to which the number of natural gas vehi-
 21 cles in the Federal fleet should be increased.

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