

111TH CONGRESS
1ST SESSION

H. R. 1808

To amend the Internal Revenue Code of 1986 to provide for consumer rebates for purchases of certain new passenger motor vehicles.

IN THE HOUSE OF REPRESENTATIVES

MARCH 31, 2009

Ms. SPEIER (for herself and Mr. THOMPSON of California) 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 for consumer rebates for purchases of certain new passenger motor 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 “Clean Car Rebate Act
5 of 2009”.

6 **SEC. 2. CONSUMER REBATE FOR PURCHASES OF CERTAIN**
7 **NEW PASSENGER MOTOR VEHICLES.**

8 (a) IN GENERAL.—Subpart C of part IV of sub-
9 chapter A of chapter 1 of the Internal Revenue Code of

1 1986 is amended by inserting after section 36 the fol-
 2 lowing new section:

3 **“SEC. 36A. CONSUMER REBATE FOR PURCHASES OF CER-**
 4 **TAIN NEW PASSENGER MOTOR VEHICLES.**

5 “(a) IN GENERAL.—There shall be allowed as a cred-
 6 it against the tax imposed by this chapter for the taxable
 7 year the applicable amount for each qualified vehicle
 8 placed in service by the taxpayer in the taxable year.

9 “(b) APPLICABLE AMOUNT.—For purposes of sub-
 10 section (a)—

11 “(1) 2009.—In the case of a taxable year be-
 12 ginning in 2009, the applicable amount shall be de-
 13 termined in accordance with the following table:

“If miles per gallon rating for the qualified vehicle for 2009 is:	The applicable amount is:
Less than 28 mpg	\$0
28 mpg or more but not more than 29 mpg	\$1,000
More than 29 mpg but not more than 30 mpg	\$1,500
More than 30 mpg but not more than 32 mpg	\$2,000
More than 32 mpg	\$2,500.

14 “(2) 2010.—In the case of a taxable year be-
 15 ginning in 2010, the applicable amount shall be de-
 16 termined in accordance with the following table:

“If miles per gallon rating for the qualified vehicle for 2010 is:	The applicable amount is:
Less than 30 mpg	0
30 mpg or more but not more than 31 mpg	\$1,000
More than 31 mpg but not more than 34 mpg	\$1,500
More than 34 mpg	\$2,500.

17 “(3) AFTER 2010.—For taxable years beginning
 18 after December 31, 2010, the Secretary, in consulta-
 19 tion with the Environmental Protection Agency,

1 shall prescribe tables under which the applicable
2 amount is determined in accordance with the fol-
3 lowing:

4 “(A) The applicable amount shall be deter-
5 mined in such a manner as to create substantial
6 consumer demand by 2015 for new passenger
7 motor vehicles with fuel economy that meets or
8 exceeds the requirements of corporate average
9 fuel economy for passenger automobiles pursu-
10 ant to section 32902 of title 49, United States
11 Code, otherwise required of manufacturers by
12 2020.

13 “(B) The aggregate amount of revenue
14 foregone to the United States Treasury for any
15 calendar year by reason of the credit allowable
16 under this section for taxable years beginning
17 in such calendar year does not exceed the sum
18 of—

19 “(i) the aggregate amount of such
20 revenue foregone under this section for
21 taxable years beginning in calendar year
22 2009, plus

23 “(ii) 10 percent of the amount deter-
24 mined under clause (i).

1 “(c) QUALIFIED VEHICLE.—For purposes of this sec-
2 tion, the term ‘qualified vehicle’ means a motor vehicle—

3 “(1) which is subject to average fuel economy
4 standards pursuant to section 32902 of title 49,
5 United States Code, for passenger automobiles,

6 “(2) the original use of which commences with
7 the taxpayer,

8 “(3) which is acquired for use or lease by the
9 taxpayer and not for resale, and

10 “(4) which is made by a manufacturer.

11 “(d) OTHER DEFINITIONS AND SPECIAL RULES.—

12 “(1) MILES PER GALLON RATING.—The term
13 ‘miles per gallon rating’ means the combined fuel
14 economy estimates provided by the Environmental
15 Protection Agency.

16 “(2) MOTOR VEHICLE.—The term ‘motor vehi-
17 cle’ has the meaning given such term by section
18 30(c)(2).

19 “(3) COORDINATION WITH ADVANCE PAYMENTS
20 OF CREDIT.—With respect to any taxable year, the
21 amount which would (but for this paragraph) be al-
22 lowed as a credit to the taxpayer under subsection
23 (a) with respect to any qualified vehicle shall be re-
24 duced (but not below zero) by the aggregate amount

1 paid to such taxpayer under section 6431 with re-
2 spect to such vehicle.

3 “(4) REDUCTION IN BASIS.—For purposes of
4 this subtitle, the basis of any property for which a
5 credit is allowable under subsection (a) shall be re-
6 duced by the amount of such credit so allowed.

7 “(5) NO DOUBLE BENEFIT.—

8 “(A) IN GENERAL.—Except as provided by
9 subparagraph (B), the amount of any deduction
10 or other credit allowable under this chapter for
11 a qualified vehicle shall be reduced by the
12 amount of credit allowed under subsection (a)
13 for such vehicle for the taxable year.

14 “(B) COORDINATION WITH SECTIONS 30B
15 AND 30D.—Subparagraph (A) shall not apply to
16 with respect to the credit allowed under section
17 30B or 30D and the credit allowed under sub-
18 section (a) with respect to a qualified vehicle
19 shall be in addition to any credit allowed under
20 section 30B or 30D with respect such vehicle.

21 “(6) PROPERTY USED BY TAX-EXEMPT ENTI-
22 TY.—In the case of a vehicle the use of which is de-
23 scribed in paragraph (3) or (4) of section 50(b) and
24 which is not subject to a lease, the person who sold
25 such vehicle to the person or entity using such vehi-

1 cle shall be treated as the taxpayer that placed such
2 vehicle in service, but only if such person clearly dis-
3 closes to such person or entity in a document the
4 amount of any credit allowable under subsection (a)
5 with respect to such vehicle (determined without re-
6 gard to subsection (b)(2)).

7 “(7) PROPERTY USED OUTSIDE UNITED
8 STATES, ETC, NOT QUALIFIED.—No credit shall be
9 allowable under subsection (a) with respect to any
10 property referred to in section 50(b)(1) or with re-
11 spect to the portion of the cost of any property
12 taken into account under section 179.

13 “(8) RECAPTURE.—The Secretary shall, by reg-
14 ulations, provide for recapturing the benefit of any
15 credit allowable under subsection (a) with respect to
16 any property which ceases to be property eligible for
17 such credit (including recapture in the case of a
18 lease period of less than the economic life of a vehi-
19 cle).

20 “(9) ELECTION TO NOT TAKE CREDIT.—No
21 credit shall be allowed under subsection (a) for any
22 vehicle if the taxpayer elects not to have this section
23 apply to such vehicle.

24 “(10) INTERACTION WITH AIR QUALITY AND
25 MOTOR VEHICLE SAFETY STANDARDS.—Unless oth-

1 erwise provided in this section, a motor vehicle shall
 2 not be considered eligible for a credit under this sec-
 3 tion unless such vehicle is in compliance with—

4 “(A) the applicable provisions of the Clean
 5 Air Act for the applicable make and model year
 6 of the vehicle (or applicable air quality provi-
 7 sions of State law in the case of a State which
 8 has adopted such provision under a waiver
 9 under section 209(b) of the Clean Air Act), and

10 “(B) the motor vehicle safety provisions of
 11 sections 30101 through 30169 of title 49,
 12 United States Code.

13 “(e) TERMINATION.—This section shall not apply
 14 with respect to any property purchased after December
 15 31, 2014.”.

16 (b) ADVANCE PAYMENT OF CREDIT.—Subchapter B
 17 of chapter 65 of the Internal Revenue Code of 1986 is
 18 amended by adding at the end the following new section:

19 **“SEC. 6431. CONSUMER REBATE FOR PURCHASES OF CER-**
 20 **TAIN NEW PASSENGER MOTOR VEHICLES.**

21 “(a) GENERAL RULE.—Not later than 3 months
 22 after the date of the enactment of this section, the Sec-
 23 retary shall establish a program for making payments to
 24 certified individuals of the applicable amount with respect
 25 to a qualified vehicle.

1 “(b) CERTIFIED INDIVIDUAL.—For purposes of this
 2 section, the term ‘certified individual’ means any indi-
 3 vidual for whom a qualified passenger motor vehicle eligi-
 4 bility certificate is in effect.

5 “(c) QUALIFIED PASSENGER MOTOR VEHICLE ELI-
 6 GIBILITY CERTIFICATE.—For purposes of this section, the
 7 term ‘qualified passenger motor vehicle eligibility certifi-
 8 cate’ means any written statement that an individual is
 9 entitled to a credit under section 36A if such statement
 10 provides such information as the Secretary may require
 11 for purposes of this section.

12 “(d) TIMING OF PAYMENTS.—The Secretary shall,
 13 subject to the provisions of this title, refund or credit any
 14 overpayment attributable to this section as rapidly as pos-
 15 sible.

16 “(e) REGULATIONS.—The Secretary may issue such
 17 regulations or other guidance as may be necessary or ap-
 18 propriate to carry out this section, including the require-
 19 ment to report information or the establishment of other
 20 methods for verifying the correct amounts of payments
 21 and credits under section 36A.”.

22 (c) ADMINISTRATIVE AMENDMENTS.—

23 (1) DEFINITION OF DEFICIENCY.—Section
 24 6211(b)(4)(A) of the Internal Revenue Code of 1986
 25 is amended by inserting “36A,” after “36,”.

8 “(N) an omission of information required
9 pursuant to section 36431(e) (relating to con-
10 sumer rebate for purchases of certain new pas-
11 senger motor vehicles).”.

(1) Section 1324(b)(2) of title 31, United States Code, is amended by inserting “36A,” after “36.”.

(2) The table of sections for subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 36 the following new item:

(3) The table of sections for subchapter B of chapter 65 of such Code is amended by adding at the end the following new item:

•HR 1808 IH

1 (e) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to property placed in service in
3 taxable years beginning after December 31, 2008.

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