

111TH CONGRESS
1ST SESSION

H. R. 3530

To amend the Internal Revenue Code of 1986 to provide a Federal income tax credit for the purchase of certain nonroad equipment.

IN THE HOUSE OF REPRESENTATIVES

JULY 31, 2009

Mr. WELCH 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 Federal income tax credit for the purchase of certain nonroad equipment.

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 “Greener Gardens Act
5 of 2009”.

6 **SEC. 2. CREDIT FOR QUALIFIED NONROAD EQUIPMENT.**

7 (a) ALLOWANCE OF CREDIT.—Subpart B of part IV
8 of subchapter A of chapter 1 of the Internal Revenue Code
9 of 1986 is amended by inserting after section 30D the fol-
10 lowing new section:

1 **“SEC. 30E. CREDIT FOR QUALIFIED NONROAD EQUIPMENT.**

2 “(a) ALLOWANCE OF CREDIT.—There shall be al-
3 lowed as a credit against the tax imposed by this chapter
4 an amount equal to 25 percent of the qualified nonroad
5 equipment expenses for the taxable year.

6 “(b) LIMITATION.—The credit allowed under sub-
7 section (a) shall not exceed \$1,000 with respect to each
8 unit of qualified nonroad equipment placed in service by
9 the taxpayer in the taxable year.

10 “(c) QUALIFIED NONROAD EQUIPMENT EX-
11 PENSES.—For purposes of this section—

12 “(1) IN GENERAL.—The term ‘qualified
13 nonroad equipment expenses’ means the cost of any
14 qualified nonroad equipment the original use of
15 which commences with the taxpayer and which is
16 placed in service by the taxpayer during the taxable
17 year.

18 “(2) QUALIFIED NONROAD EQUIPMENT.—

19 “(A) IN GENERAL.—The term ‘qualified
20 nonroad equipment’ means any equipment that
21 is primarily used for lawn, garden, or forestry
22 purposes, and that is described in subparagraph
23 (B) or (C).

24 “(B) EQUIPMENT DESCRIBED IN SUBPARA-
25 GRAPH (B).—Equipment is described in this
26 subparagraph if such equipment—

1 “(i) has a hybrid-electric drive train
2 or cutting system which is powered by a
3 generator or electrical storage device com-
4 bined with a gasoline or diesel engine cer-
5 tified by the Environment Protection
6 Agency at or below the current Federal
7 standard,

8 “(ii) is regulated by the Environ-
9 mental Protection Agency as a new, spark-
10 ignition engine under part 1054 of title 40,
11 Code of Federal Regulations (or any suc-
12 cessor regulation), and is at or below the
13 Phase 3 standards for exhaust and evapo-
14 rative emissions under part 1060 of title
15 40, Code of Federal Regulations (or any
16 successor regulation), or

17 “(iii) is regulated by the Environ-
18 mental Protection Agency as a new, com-
19 pression-ignition engine under part 1039
20 of title 40, Code of Federal Regulations (or
21 any successor regulation), and is at or
22 below the standards for exhaust emissions
23 under part 1039.102 of title 40, Code of
24 Federal Regulations (or any successor reg-
25 ulation), and identified for use with 100

percent biodiesel as determined by the Secretary in coordination with the Office of Energy Efficiency and Renewable Energy.

“(C) EQUIPMENT DESCRIBED IN SUBPARAGRAPH (C).—Equipment is described in this subparagraph if such equipment—

“(i) is powered by a motor drawing current from solar power, electricity, or rechargeable or replaceable batteries, or

“(ii) is powered by alternative power sources and—

“(I) is regulated by the Environmental Protection Agency as a new, spark-ignition engine under part 1054 of title 40, Code of Federal Regulations (or any successor regulation), and

“(II) is a class 1 or 2 engine certified by the Environmental Protection Agency as having an engine family that emits no more than 50 percent of the number of grams per kilowatt hour of regulated pollutants allowable under Phase 3 of the exhaust emissions standards under section 103

1 of part 1054 of title 40, Code of Fed-
2 eral Regulations (or any successor
3 regulation), relating to handheld en-
4 gines, or section 105 of such part, re-
5 lating to nonhandheld engines, which-
6 ever is applicable.

7 “(3) ALTERNATIVE POWER SOURCES.—The
8 term ‘alternative power sources’ means any alter-
9 native fuel as determined by the Secretary, in co-
10 ordination with the Office of Energy Efficiency and
11 Renewable Energy.

12 “(4) UNIT.—The term ‘unit’ does not include
13 any component of qualified nonroad equipment un-
14 less such component can be used independently.

15 “(d) APPLICATION WITH OTHER CREDITS.—

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

24 “(2) PERSONAL CREDIT.—

1 “(A) IN GENERAL.—For purposes of this
 2 title, the credit allowed under subsection (a) for
 3 any taxable year (determined after application
 4 of paragraph (1)) shall be treated as a credit
 5 allowable under subpart A for such taxable
 6 year.

7 “(B) LIMITATION BASED ON AMOUNT OF
 8 TAX.—In the case of a taxable year to which
 9 section 26(a)(2) does not apply, the credit al-
 10 lowed under subsection (a) for any taxable year
 11 (determined after application of paragraph (1))
 12 shall not exceed the excess of—

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

16 “(ii) the sum of the credits allowable
 17 under subpart A (other than this section
 18 and sections 23, 25D, 30, 30B, and 30D)
 19 and section 27 for the taxable year.

20 “(e) SPECIAL RULES.—

21 “(1) REDUCTION IN BASIS.—For purposes of
 22 this subtitle, the basis of any property for which a
 23 credit is allowable under subsection (a) shall be re-
 24 duced by the amount of such credit so allowed (de-
 25 termined without regard to subsection (d)).

1 “(2) DENIAL OF DOUBLE BENEFIT.—No credit
2 shall be allowed under this section for any property
3 for which a credit is allowed under any other provi-
4 sion of this chapter.

5 “(f) TERMINATION.—This section shall not apply to
6 any property placed in service—

7 “(1) in the case of equipment described in sub-
8 section (c)(2)(B), after the date that is 2 years after
9 the date of the enactment of the Greener Gardens
10 Act of 2009, and

11 “(2) in the case of equipment described in sub-
12 section (c)(2)(C), after the date that is 5 years after
13 such date of enactment.”.

14 (b) CONFORMING AMENDMENTS.—

15 (1) Section 24(b)(3)(B) of the Internal Revenue
16 Code of 1986 is amended by striking “and 30D”
17 and inserting “, 30D, and 30E”.

18 (2) Section 25(e)(1)(C)(ii) of such Code is
19 amended by inserting “30E,” after “30D,”.

20 (3) Section 25B(g)(2) of such Code is amended
21 by striking “and 30D” and inserting “30D, and
22 30E”.

23 (4) Section 904(i) of such Code is amended by
24 striking “and 30D” and inserting “30D, and 30E”.

1 (5) Section 1016(a) of such Code is amended
2 by striking “and” at the end of paragraph (36), by
3 striking the period at the end of paragraph (37) and
4 inserting “, and”, and by adding at the end the fol-
5 lowing new paragraph:

6 “(38) to the extent provided in section
7 30E(e)(1).”.

8 (6) Section 1400C(d)(2) of such Code is
9 amended by striking “and 30D” and inserting
10 “30D, and 30E”.

11 (c) CREDIT TO BE PART OF BUSINESS CREDIT.—
12 Section 38(b) of the Internal Revenue Code of 1986 is
13 amended by striking “plus” at the end of paragraph (34),
14 by striking the period at the end of paragraph (35) and
15 inserting “, plus,” and by adding at the end the following:

16 “(36) the portion of the qualified nonroad
17 equipment credit to which section 30E(d)(1) ap-
18 plies.”.

19 (d) CLERICAL AMENDMENT.—The table of sections
20 for subpart B of part IV of subchapter A of chapter 1
21 of the Internal Revenue Code of 1986 is amended by in-
22 serting after the item relating to section 30D the following
23 new item:

“Sec. 30E. Credit for qualified nonroad equipment.”.

1 (e) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to property placed in service after
3 the date of the enactment of this Act.

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