

111TH CONGRESS
1ST SESSION

H. R. 3947

To accelerate locomotive fuel savings nationwide and provide incentives for owners of high polluting locomotives to replace such locomotives with newly built or newly remanufactured fuel efficient and less polluting locomotives.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 28, 2009

Mrs. DAHLKEMPER (for herself, Mr. CUMMINGS, Mr. BRADY of Pennsylvania, Mr. RYAN of Ohio, Mr. MURTHA, Mr. SIRES, Mr. REHBERG, Mr. CONNOLLY of Virginia, Mr. ALTMIRE, Mr. MANZULLO, and Mr. BLUMENAUER) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To accelerate locomotive fuel savings nationwide and provide incentives for owners of high polluting locomotives to replace such locomotives with newly built or newly remanufactured fuel efficient and less polluting locomotives.

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 “Locomotive Fleet In-
5 vestment Act of 2009”.

1 **SEC. 2. CREDIT FOR LOCOMOTIVE PROPERTY.**

2 (a) IN GENERAL.—Subpart D of part IV of sub-
 3 chapter A of chapter 1 of the Internal Revenue Code of
 4 1986 (relating to business-related credits) is amended by
 5 adding at the end the following new section:

6 **“SEC. 45R. LOCOMOTIVE PROPERTY CREDIT.**

7 “(a) GENERAL RULE.—For purposes of section 38,
 8 the locomotive property credit determined under this sec-
 9 tion for the taxable year is an amount equal to 30 percent
 10 of the cost of the qualified locomotive property placed in
 11 service by the taxpayer during the taxable year.

12 “(b) QUALIFIED LOCOMOTIVE PROPERTY.—For pur-
 13 poses of this section, the term ‘qualified locomotive prop-
 14 erty’ means a newly built or newly remanufactured diesel
 15 line-haul, passenger, or switch locomotive (whether or not
 16 owned by a railroad)—

17 “(1) which is acquired by the taxpayer after
 18 December 31, 2009,

19 “(2) the original use of which commences with
 20 the taxpayer, and

21 “(3) meets the applicable standards under title
 22 II of the Clean Air Act (42 U.S.C. 7401 et seq.) for
 23 emissions from locomotives or locomotive engines, as
 24 in effect on December 31, 2009.

25 “(c) SPECIAL RULES.—

1 “(1) COORDINATION WITH OTHER CREDITS.—

2 The cost of any property taken into account in de-
3 termining the credit under subsection (a) may not be
4 taken into account in determining a credit under any
5 other provision of this title.

6 “(2) BASIS ADJUSTMENT.—If a credit is al-
7 lowed under this section with respect to any quali-
8 fied locomotive property, the basis of such property
9 shall be reduced by the amount of the credit so al-
10 lowed.

11 “(3) RECAPTURE.—The benefit of any credit
12 allowable under subsection (a) shall, under regula-
13 tions prescribed by the Secretary, be recaptured with
14 respect to any qualified locomotive property that is
15 sold or otherwise disposed of by the taxpayer during
16 the 5-year period beginning on the date on which
17 such property is originally placed in service. The
18 preceding sentence shall not apply to locomotive
19 property that is sold by and subsequently leased
20 back to the taxpayer.

21 “(d) TERMINATION.—This section shall not apply to
22 any property placed in service after December 31, 2013.”.

23 (b) CREDIT ALLOWED AS BUSINESS CREDIT.—Sec-
24 tion 38(b) of such Code is amended by striking “plus”
25 at the end of paragraph (34), by striking the period at

1 the end of paragraph (35) and inserting “, plus”, and by
 2 adding at the end the following new paragraph:

3 “(36) the locomotive property credit determined
 4 under section 45R(a).”.

5 (c) COORDINATION WITH SECTION 55.—Section
 6 38(c)(4)(B) of such Code is amended by redesignating
 7 clauses (vi), (vii), and (viii) as clauses (vii), (viii), and (ix),
 8 respectively, and by inserting after clause (v) the following
 9 new clause:

10 “(vi) for taxable years ending after
 11 the effective date of this clause, the credit
 12 determined under section 45R(a).”.

13 (d) CONFORMING AMENDMENT.—Subsection (a) of
 14 section 1016 of such Code is amended by striking “and”
 15 at the end of paragraph (36), by striking the period at
 16 the end of paragraph (37) and inserting “, and”, and by
 17 adding at the end the following new paragraph:

18 “(38) to the extent provided in section
 19 45R(c)(2).”.

20 (e) CLERICAL AMENDMENT.—The table of sections
 21 for subpart D of part IV of subchapter A of chapter 1
 22 of such Code is amended by inserting after the item relat-
 23 ing to section 45Q the following new item:

“Sec. 45R. Locomotive property credit.”.

1 (f) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to property placed in service after
3 December 31, 2009.

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