

111TH CONGRESS  
2D SESSION

# H. R. 5705

To amend the Internal Revenue Code of 1986 to increase the credit amount for 2- and 3-wheeled electric highway vehicles, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 1, 2010

Mr. RYAN of Ohio (for himself and Ms. SUTTON) introduced the following bill;  
which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to increase the credit amount for 2- and 3-wheeled electric highway vehicles, and for other purposes.

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 “Electric Vehicle Ad-  
5 vancement Act of 2010”.

6 **SEC. 2. INCREASE IN CREDIT AMOUNT FOR 2- AND 3-**  
7 **WHEELED ELECTRIC HIGHWAY VEHICLES.**

8 (a) IN GENERAL.—Subsections (a) and (b) of section  
9 30 of the Internal Revenue Code of 1986 are amended  
10 to read as follows:

1       “(a) ALLOWANCE OF CREDIT.—There shall be al-  
 2       lowed as a credit against the tax imposed by this chapter  
 3       for the taxable year an amount equal to—

4               “(1) in the case of any qualified plug-in electric  
 5       vehicle placed in service by the taxpayer during the  
 6       taxable year which is a 2- or 3-wheeled vehicle de-  
 7       scribed in subsection (d)(3), the sum of—

8                       “(A) \$1,000,

9                       “(B) in the case of a vehicle which draws  
 10       propulsion energy from a battery with not less  
 11       than 2.5 kilowatt hours of capacity, \$417, plus  
 12       \$417 for each kilowatt hour of capacity in ex-  
 13       cess of 2.5 kilowatt hours, plus

14                      “(C) in the case of a vehicle which achieves  
 15       at least 75 miles per gallon equivalent, \$2,000,  
 16       and

17               “(2) in the case of any other qualified plug-in  
 18       electric vehicle placed in service by the taxpayer dur-  
 19       ing the taxable year, 10 percent of the cost of such  
 20       vehicle.

21       “(b) DOLLAR LIMITATIONS.—

22               “(1) BATTERY CAPACITY FOR 2- AND 3-  
 23       WHEELED VEHICLES.—The amount allowed under  
 24       subsection (a)(1) with respect to any vehicle by rea-

1 son of subparagraph (B) thereof shall not exceed  
2 \$5,500.

3 “(2) TOTAL.—The amount allowed under sub-  
4 section (a)(1) with respect to any vehicle shall not  
5 exceed \$7,500.

6 “(3) OTHER QUALIFIED PLUG-IN ELECTRIC VE-  
7 HICLES.—The amount of the credit allowed under  
8 subsection (a)(2) with respect to any vehicle shall  
9 not exceed \$2,500.”.

10 (b) 2- OR 3-WHEELED MOTOR VEHICLES DE-  
11 SCRIBED.—Subsection (d) of section 30 of such Code is  
12 amended by redesignating paragraphs (3) and (4) as para-  
13 graphs (4) and (5), respectively, and by inserting after  
14 paragraph (2) the following new paragraph:

15 “(3) 2- OR 3-WHEELED MOTOR VEHICLE.—A 2-  
16 or 3-wheeled vehicle described in this paragraph is  
17 a specified vehicle described in paragraph (2)(B)—

18 “(A) with motive power having a seat,  
19 seats, or saddle for the use of the rider or rid-  
20 ers and designed to travel on not more than 3  
21 wheels in contact with the ground,

22 “(B) which has an electric motor that pro-  
23 duces in excess of 5-brake horsepower,

24 “(C) which draws propulsion from 1 or  
25 more traction batteries, and

1                   “(D) which has been certified to the De-  
2                   partment of Transportation pursuant to section  
3                   567 of title 49, Code of Federal Regulations, in  
4                   effect on the date of the manufacture of the ve-  
5                   hicle.”.

6           (c) MILES PER GALLON EQUIVALENT.—Subsection  
7   (d) of section 30 of such Code, as amended by subsection  
8   (b), is amended by adding at the end the following new  
9   paragraph:

10           “(6) MILES PER GALLON EQUIVALENT.—For  
11           purposes of this section, the miles per gallon equiva-  
12           lent with respect to any vehicle shall be the com-  
13           bined fuel economy with respect to such vehicle, as  
14           determined under section 136(a)(2)(B) of the En-  
15           ergy Independence and Security Act of 2007.”.

16           (d) LIMITATION ON NUMBER OF 2- AND 3-WHEELED  
17   VEHICLES ELIGIBLE FOR CREDIT.—Section 30 of such  
18   Code is amended by redesignating subsection (f) as sub-  
19   section (g) and by inserting after subsection (e) the fol-  
20   lowing new subsection:

21           “(e) LIMITATION ON NUMBER OF 2- AND 3-  
22   WHEELED VEHICLES ELIGIBLE FOR CREDIT.—

23           “(1) IN GENERAL.—In the case of a 2- or 3-  
24           wheeled electric vehicles described in subsection  
25           (d)(3) which are sold during the phaseout period,

1       only the applicable percentage of the credit otherwise  
2       allowable under subsection (a) shall be allowed.

3           “(2) PHASEOUT PERIOD.—For purposes of this  
4       subsection, the phaseout period is the period begin-  
5       ning with the second calendar quarter following the  
6       calendar quarter which includes the first date on  
7       which the number of 2- or 3-wheeled electric vehicles  
8       described in subsection (d)(3) manufactured by the  
9       manufacturer of the vehicle referred to in paragraph  
10      (1) sold for use in the United States after the date  
11      of the enactment of this section is at least 100,000.

12          “(3) APPLICABLE PERCENTAGE.—For purposes  
13      of paragraph (1), the applicable percentage is—

14           “(A) 50 percent for the first 2 calendar  
15          quarters of the phaseout period,

16           “(B) 25 percent for the 3d and 4th cal-  
17          endar quarters of the phaseout period, and

18           “(C) 0 percent for each calendar quarter  
19          thereafter.

20          “(4) CONTROLLED GROUPS.—Rules similar to  
21      the rules of section 30B(f)(4) shall apply for pur-  
22      poses of this subsection.”.

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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