

111TH CONGRESS
1ST SESSION

S. 929

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

IN THE SENATE OF THE UNITED STATES

APRIL 29, 2009

Mr. LEAHY (for himself and Mr. SANDERS) 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 provide a Federal income tax credit for the purchase of certain nonroad equipment powered by alternative power sources.

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. CREDIT FOR CERTAIN NONROAD EQUIPMENT.**

4 (a) ALLOWANCE OF CREDIT.—Subpart A of part IV
5 of subchapter A of chapter 1 of the Internal Revenue Code
6 of 1986 is amended by inserting after section 25D the fol-
7 lowing new section:

1 **“SEC. 25E. CREDIT FOR CERTAIN NONROAD EQUIPMENT.**

2 “(a) ALLOWANCE OF CREDIT.—In the case of an in-
3 dividual, there shall be allowed as a credit against the tax
4 imposed by this chapter an amount equal to 25 percent
5 of the qualified nonroad equipment expenses for the tax-
6 able year.

7 “(b) LIMITATION.—The credit allowed under sub-
8 section (a) shall not exceed \$1,000.

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

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

17 “(2) ALTERNATIVE POWER NONROAD EQUIP-
18 MENT.—The term ‘alternative power nonroad equip-
19 ment’ means any equipment that is primarily used
20 for lawn, garden, or forestry purposes, and that—

21 “(A) is powered by a motor drawing cur-
22 rent from solar power, electricity, or recharge-
23 able or replaceable batteries,

24 “(B) has a hybrid-electric drive train or
25 cutting system which is powered by a generator

1 or electrical storage device combined with a
2 small engine, or

3 “(C) is powered by alternative power
4 sources and—

5 “(i) is regulated by the Environmental
6 Protection Agency as a new, spark-ignition
7 engine under part 1054 of title 40, Code of
8 Federal Regulations (or any successor reg-
9 ulation), and

10 “(ii) is certified by the Environmental
11 Protection Agency as having an engine
12 family that emits no more than 50 percent
13 of the number of grams per kilowatt hour
14 of regulated pollutants allowable under
15 Phase 3 of the exhaust emissions stand-
16 ards under section 103 of part 1054 of
17 title 40, Code of Federal Regulations (or
18 any successor regulation), relating to
19 handheld engines, or section 105 of such
20 part, relating to nonhandheld engines,
21 whichever is applicable.

22 “(3) ALTERNATIVE POWER SOURCES.—The
23 term ‘alternative power sources’ means any alter-
24 native fuel as determined by the Secretary, in co-

1 ordination with the Office of Energy Efficiency and
 2 Renewable Energy.”.

3 (b) CONFORMING AMENDMENTS.—

4 (1) Section 24(b)(3)(B) of the Internal Revenue
 5 Code of 1986 is amended by striking “and 25B”
 6 and inserting “, 25B, and 25E”.

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

9 (3) Section 25B(g)(2) of such Code is amended
 10 by striking “section 23” and inserting “sections 23
 11 and 25E”.

12 (4) Section 904(i) of such Code is amended by
 13 striking “and 25B” and inserting “25B, and 25E”.

14 (5) Section 1400C(d)(2) of such Code is
 15 amended by striking “and 25D” and inserting
 16 “25D, and 25E”.

17 (c) CLERICAL AMENDMENT.—The table of sections
 18 for subpart A of part IV of subchapter A of chapter 1
 19 of the Internal Revenue Code of 1986 is amended by in-
 20 serting after the item relating to section 25D the following
 21 new item:

“Sec. 25E. Credit for certain nonroad equipment.”.

22 (d) EFFECTIVE DATE.—The amendments made by
 23 this section shall apply to purchases made after the date
 24 of the enactment of this Act.