

113TH CONGRESS
1ST SESSION

H. R. 1364

To amend the Internal Revenue Code of 1986 to encourage alternative energy investments and job creation, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 21, 2013

Mr. LARSON of Connecticut introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Energy and Commerce and Science, Space, and Technology, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Internal Revenue Code of 1986 to encourage alternative energy investments and job creation, 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, ETC.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “New Alternative Transportation to Give Americans Solu-
6 tions Act of 2013”.

7 (b) AMENDMENT OF 1986 CODE.—Except as other-
8 wise expressly provided, whenever in this Act an amend-

1 ment or repeal is expressed in terms of an amendment
 2 to, or repeal of, a section or other provision, the reference
 3 shall be considered to be made to a section or other provi-
 4 sion of the Internal Revenue Code of 1986.

5 (c) TABLE OF CONTENTS.—The table of contents for
 6 this Act is as follows:

Sec. 1. Short title, etc.

TITLE I—PROMOTE THE PURCHASE AND USE OF NGVS WITH AN EMPHASIS ON HEAVY-DUTY VEHICLES AND FLEET VEHICLES

Sec. 101. Modification of alternative fuel credit.

Sec. 102. Extension and modification of new qualified alternative fuel motor vehicle credit.

Sec. 103. Allowance of vehicle and infrastructure credits against regular and minimum tax and transferability of credits.

Sec. 104. Modification of credit for purchase of vehicles fueled by compressed natural gas or liquefied natural gas.

Sec. 105. Modification of definition of new qualified alternative fuel motor vehicle.

Sec. 106. Providing for the treatment of property purchased by Indian tribal governments.

TITLE II—PROMOTE PRODUCTION OF NGVS BY ORIGINAL EQUIPMENT MANUFACTURERS

Sec. 201. Credit for producing vehicles fueled by natural gas or liquified natural gas.

Sec. 202. Amendment to section 136 of the Energy Security and Independence Act of 2007.

TITLE III—INCENTIVIZE THE INSTALLATION OF NATURAL GAS FUEL PUMPS

Sec. 301. Extension and modification of alternative fuel vehicle refueling property credit.

Sec. 302. Increase in credit for certain alternative fuel vehicle refueling properties.

TITLE IV—NATURAL GAS VEHICLES

Sec. 401. Grants for natural gas vehicles research and development.

Sec. 402. Sense of the Congress regarding EPA certification of NGV retrofit kits.

Sec. 403. Sense of the Congress regarding EPA and NHTSA regulation of medium- and heavy-duty engines and vehicles.

Sec. 404. Amendment to section 508 of the Energy Policy Act of 1992.

1 **TITLE I—PROMOTE THE PUR-**
2 **CHASE AND USE OF NGVS**
3 **WITH AN EMPHASIS ON**
4 **HEAVY-DUTY VEHICLES AND**
5 **FLEET VEHICLES**

6 **SEC. 101. MODIFICATION OF ALTERNATIVE FUEL CREDIT.**

7 (a) ALTERNATIVE FUEL CREDIT.—Paragraph (5) of
8 section 6426(d) (relating to alternative fuel credit) is
9 amended by inserting “, and December 31, 2018, in the
10 case of any sale or use involving compressed or liquefied
11 natural gas” after “hydrogen”.

12 (b) ALTERNATIVE FUEL MIXTURE CREDIT.—Para-
13 graph (3) of section 6426(e) is amended by inserting “,
14 and December 31, 2018, in the case of any sale or use
15 involving compressed or liquefied natural gas” after “hy-
16 drogen”.

17 (c) PAYMENTS RELATING TO ALTERNATIVE FUEL OR
18 ALTERNATIVE FUEL MIXTURES.—Paragraph (6) of sec-
19 tion 6427(e) is amended—

20 (1) in subparagraph (C)—

21 (A) by striking “subparagraph (D)” and
22 inserting “subparagraphs (D) and (E)”, and

23 (B) by striking “and” at the end thereof,

24 (2) by striking the period at the end of sub-
25 paragraph (D) and inserting “, and”, and

1 (3) by inserting at the end the following:

2 “(E) any alternative fuel or alternative fuel
3 mixture (as so defined) involving compressed or
4 liquefied natural gas sold or used after Decem-
5 ber 31, 2018.”.

6 (d) PAYMENTS RELATING TO INDIAN TRIBES.—Sub-
7 paragraph (1) of section 6427(k)(1) is amended by insert-
8 ing striking “or” at the end and inserting “an Indian
9 Tribal Government, or”.

10 (e) EFFECTIVE DATE.—The amendments made by
11 this section shall apply to fuel sold or used after the date
12 of the enactment of this Act.

13 **SEC. 102. EXTENSION AND MODIFICATION OF NEW QUALI-**
14 **FIED ALTERNATIVE FUEL MOTOR VEHICLE**
15 **CREDIT.**

16 (a) IN GENERAL.—Paragraph (4) of section 30B(k)
17 (relating to termination) is amended by inserting “(De-
18 cember 31, 2018, in the case of a vehicle powered by com-
19 pressed or liquefied natural gas)” before the period at the
20 end.

21 (b) EFFECTIVE DATE.—The amendment made by
22 subsection (a) shall apply to property placed in service
23 after the date of the enactment of this Act.

1 **SEC. 103. ALLOWANCE OF VEHICLE AND INFRASTRUCTURE**
2 **CREDITS AGAINST REGULAR AND MINIMUM**
3 **TAX AND TRANSFERABILITY OF CREDITS.**

4 (a) BUSINESS CREDITS.—Subparagraph (B) of sec-
5 tion 38(c)(4) is amended by striking “and” at the end of
6 clause (viii), by striking the period at the end of clause
7 (ix) and inserting a comma, and by inserting after clause
8 (ix) the following new clauses:

9 “(x) the portion of the credit deter-
10 mined under section 30B which is attrib-
11 utable to the application of subsection
12 (e)(3) thereof with respect to new qualified
13 alternative fuel motor vehicles which are
14 capable of being powered by compressed or
15 liquefied natural gas, and

16 “(xi) the portion of the credit deter-
17 mined under section 30C which is attrib-
18 utable to the application of subsection (b)
19 thereof with respect to refueling property
20 which is used to store and or dispense
21 compressed or liquefied natural gas.”.

22 (b) PERSONAL CREDITS.—

23 (1) NEW QUALIFIED ALTERNATIVE FUEL
24 MOTOR VEHICLES.—Subsection (g) of section 30B is
25 amended by adding at the end the following new
26 paragraph:

1 “(3) SPECIAL RULE RELATING TO CERTAIN
2 NEW QUALIFIED ALTERNATIVE FUEL MOTOR VEHI-
3 CLES.—In the case of the portion of the credit deter-
4 mined under subsection (a) which is attributable to
5 the application of subsection (e)(3) with respect to
6 new qualified alternative fuel motor vehicles which
7 are capable of being powered by compressed or liq-
8 uefied natural gas—

9 “(A) paragraph (2) shall (after the appli-
10 cation of paragraph (1)) be applied separately
11 with respect to such portion, and

12 “(B) in lieu of the limitation determined
13 under paragraph (2), such limitation shall not
14 exceed the excess (if any) of—

15 “(i) the sum of the regular tax liabil-
16 ity (as defined in section 26(b)) plus the
17 tentative minimum tax for the taxable
18 year, reduced by

19 “(ii) the sum of the credits allowable
20 under subpart A and sections 27 and 30.”.

21 (2) ALTERNATIVE FUEL VEHICLE REFUELING
22 PROPERTIES.—Subsection (d) of section 30C is
23 amended by adding at the end the following new
24 paragraph:

1 “(3) SPECIAL RULE RELATING TO CERTAIN AL-
 2 TERNATIVE FUEL VEHICLE REFUELING PROP-
 3 ERTIES.—In the case of the portion of the credit de-
 4 termined under subsection (a) with respect to refuel-
 5 ing property which is used to store and or dispense
 6 compressed or liquefied natural gas and which is at-
 7 tributable to the application of subsection (b)—

8 “(A) paragraph (2) shall (after the appli-
 9 cation of paragraph (1)) be applied separately
 10 with respect to such portion, and

11 “(B) in lieu of the limitation determined
 12 under paragraph (2), such limitation shall not
 13 exceed the excess (if any) of—

14 “(i) the sum of the regular tax liabil-
 15 ity (as defined in section 26(b)) plus the
 16 tentative minimum tax for the taxable
 17 year, reduced by

18 “(ii) the sum of the credits allowable
 19 under subpart A and sections 27, 30, and
 20 the portion of the credit determined under
 21 section 30B which is attributable to the
 22 application of subsection (e)(3) thereof.”.

23 (c) CREDITS MAY BE TRANSFERRED.—

1 (1) VEHICLE CREDITS.—Subsection (h) of sec-
2 tion 30B is amended by adding at the end the fol-
3 lowing new paragraph:

4 “(11) TRANSFERABILITY OF CREDIT.—

5 “(A) IN GENERAL.—Except as provided in
6 subparagraph (B), a taxpayer who places in
7 service any new qualified alternative fuel motor
8 vehicle which is capable of being powered by
9 compressed or liquefied natural gas may trans-
10 fer the credit allowed under this section by rea-
11 son of subsection (e) with respect to such vehi-
12 cle through an assignment to the manufacturer,
13 seller or lessee of such vehicle. Such transfer
14 may be revoked only with the consent of the
15 Secretary.

16 “(B) DENIAL OF DOUBLE BENEFIT.—No
17 assignment of a credit allowed under this sec-
18 tion by reason of subsection (e) with respect to
19 any new qualified alternative fuel motor vehicle
20 which is capable of being powered by com-
21 pressed or liquefied natural gas may be made
22 under subparagraph (A) to a taxpayer who has
23 claimed a credit under section 54G with respect
24 to the financing of such vehicle.

1 “(C) REGULATIONS.—The Secretary shall
2 prescribe such regulations as necessary to en-
3 sure that any credit transferred under subpara-
4 graph (A) is claimed once and not reassigned
5 by such other person.”.

6 (2) INFRASTRUCTURE CREDIT.—Subsection (e)
7 of section 30C is amended by adding at the end the
8 following new paragraph:

9 “(7) TRANSFERABILITY OF CREDIT.—

10 “(A) IN GENERAL.—Except as provided in
11 subparagraph (B), a taxpayer who places in
12 service any qualified alternative fuel vehicle re-
13 fueling property relating to compressed or lique-
14 fied natural gas may transfer the credit allowed
15 under this section with respect to such property
16 through an assignment to the manufacturer,
17 seller or lessee of such property. Such transfer
18 may be revoked only with the consent of the
19 Secretary.

20 “(B) DENIAL OF DOUBLE BENEFIT.—No
21 assignment of a credit allowed under this sec-
22 tion by reason of subsection (e) with respect to
23 any qualified alternative fuel vehicle refueling
24 property relating to compressed or liquefied
25 natural gas may be made under subparagraph

1 (A) to a taxpayer who has claimed a credit
 2 under section 54G with respect to the financing
 3 of such property.

4 “(C) REGULATIONS.—The Secretary shall
 5 prescribe such regulations as necessary to en-
 6 sure that any credit transferred under subpara-
 7 graph (A) is claimed once and not reassigned
 8 by such other person.”.

9 (d) EFFECTIVE DATE.—The amendments made by
 10 this section shall apply with respect to property placed in
 11 service after the date of the enactment of this Act.

12 **SEC. 104. MODIFICATION OF CREDIT FOR PURCHASE OF**
 13 **VEHICLES FUELED BY COMPRESSED NAT-**
 14 **URAL GAS OR LIQUEFIED NATURAL GAS.**

15 (a) INCREASE IN CREDIT.—Paragraph (2) of section
 16 30B(e) (relating to applicable percentage) is amended to
 17 read as follows:

18 “(2) APPLICABLE PERCENTAGE.—For purposes
 19 of paragraph (1), the applicable percentage with re-
 20 spect to any new qualified alternative fuel motor ve-
 21 hicle is—

22 “(A) except as provided in subparagraphs
 23 (B) and (C)—

24 “(i) 50 percent, plus

25 “(ii) 30 percent, if such vehicle—

1 “(I) has received a certificate of
2 conformity under the Clean Air Act
3 and meets or exceeds the most strin-
4 gent standard available for certifi-
5 cation under the Clean Air Act for
6 that make and model year vehicle
7 (other than a zero emission standard),
8 or

9 “(II) has received an order certi-
10 fying the vehicle as meeting the same
11 requirements as vehicles which may be
12 sold or leased in California and meets
13 or exceeds the most stringent stand-
14 ard available for certification under
15 the State laws of California (enacted
16 in accordance with a waiver granted
17 under section 209(b) of the Clean Air
18 Act) for that make and model year ve-
19 hicle (other than a zero emission
20 standard),

21 “(B) 80 percent, in the case of dedicated
22 vehicles that are only capable of operating on
23 compressed or liquefied natural gas, dual-fuel
24 vehicles that are only capable of operating on a
25 mixture of no less than 90 percent compressed

1 or liquefied natural gas, and a bi-fuel vehicle
2 that is capable of operating a minimum of 85
3 percent of its total range on compressed or liq-
4 uefied natural gas, and

5 “(C) 50 percent, in the case of vehicles de-
6 scribed subclause (II) or (III) of subsection
7 (e)(4)(A)(i) and which are not otherwise de-
8 scribed in subparagraph (B).

9 For purposes of the preceding sentence, in the case
10 of any new qualified alternative fuel motor vehicle
11 which weighs more than 14,000 pounds gross vehicle
12 weight rating, the most stringent standard available
13 shall be such standard available for certification on
14 the date of the enactment of the Energy Tax Incen-
15 tives Act of 2005.”.

16 (b) INCREASED INCENTIVE FOR NATURAL GAS VEHI-
17 CLES.—Subsection (e) of section 30B (relating to new
18 qualified alternative fuel motor vehicle credit) is amended
19 by adding at the end the following new paragraph:

20 “(6) CREDIT VALUES FOR NATURAL GAS VEHI-
21 CLES.—In the case of new qualified alternative fuel
22 motor vehicles with respect to vehicles powered by
23 compressed or liquefied natural gas, the maximum
24 tax credit value shall be—

1 “(A) \$7,500 if such vehicle has a gross ve-
2 hicle weight rating of not more than 8,500
3 pounds,

4 “(B) \$16,000 if such vehicle has a gross
5 vehicle weight rating of more than 8,500
6 pounds but not more than 14,000 pounds,

7 “(C) \$40,000 if such vehicle has a gross
8 vehicle weight rating of more than 14,000
9 pounds but not more than 26,000 pounds, and

10 “(D) \$64,000 if such vehicle has a gross
11 vehicle weight rating of more than 26,000
12 pounds.”.

13 (c) EFFECTIVE DATE.—The amendment made by
14 this section shall apply to property placed in service after
15 the date of the enactment of this Act.

16 **SEC. 105. MODIFICATION OF DEFINITION OF NEW QUALI-**
17 **FIED ALTERNATIVE FUEL MOTOR VEHICLE.**

18 (a) IN GENERAL.—Clause (i) of section 30B(e)(4)(A)
19 (relating to definition of new qualified alternative fuel
20 motor vehicle) is amended to read as follows:

21 “(i) which—

22 “(I) is a dedicated vehicle that is
23 only capable of operating on an alter-
24 native fuel,

1 “(II) is a bi-fuel vehicle that is
2 capable of operating on compressed or
3 liquefied natural gas and gasoline or
4 diesel fuel, or

5 “(III) is a duel-fuel vehicle that
6 is capable of operating on a mixture
7 of compressed or liquefied natural gas
8 and gasoline or diesel fuel.”.

9 (b) CONVERSIONS AND REPOWERS.—Paragraph (4)
10 of section 30B(e) is amended by adding at the end the
11 following new subparagraph:

12 “(C) CONVERSIONS AND REPOWERS.—

13 “(i) IN GENERAL.—The term ‘new
14 qualified alternative fuel motor vehicle’ in-
15 cludes the conversion or repower of a new
16 or used vehicle so that it is capable of op-
17 erating on an alternative fuel as it was not
18 previously capable of operating on an alter-
19 native fuel.

20 “(ii) TREATMENT AS NEW.—A vehicle
21 which has been converted to operate on an
22 alternative fuel shall be treated as new on
23 the date of such conversion for purposes of
24 this section.

1 “(iii) RULE OF CONSTRUCTION.—In
 2 the case of a used vehicle which is con-
 3 verted or repowered, nothing in this section
 4 shall be construed to require that the
 5 motor vehicle be acquired in the year the
 6 credit is claimed under this section with re-
 7 spect to such vehicle.”.

8 (c) EFFECTIVE DATE.—The amendments made by
 9 this section shall apply to property placed in service after
 10 the date of the enactment of this Act.

11 **SEC. 106. PROVIDING FOR THE TREATMENT OF PROPERTY**
 12 **PURCHASED BY INDIAN TRIBAL GOVERN-**
 13 **MENTS.**

14 (a) IN GENERAL.—Paragraph (6) of section 30B(h)
 15 and paragraph (2) of section 30C(e) are both amended
 16 by inserting “, or whose use is by an Indian Tribal Gov-
 17 ernment,” after “section 50(b)”.

18 (b) EFFECTIVE DATE.—The amendments made by
 19 this section shall apply to property placed in service after
 20 the date of the enactment of this Act.

1 **TITLE II—PROMOTE PRODUCTION OF NGVS BY ORIGINAL**
 2 **EQUIPMENT MANUFACTURERS**

3 **SEC. 201. CREDIT FOR PRODUCING VEHICLES FUELED BY**
 4 **NATURAL GAS OR LIQUIFIED NATURAL GAS.**

5 (a) IN GENERAL.—Subpart D of part IV of sub-
 6 chapter A of chapter 1 (relating to business-related cred-
 7 its) is amended by inserting after section 45R the fol-
 8 lowing new section:

9 **“SEC. 45S. PRODUCTION OF VEHICLES FUELED BY NAT-**
 10 **URAL GAS OR LIQUIFIED NATURAL GAS.**

11 “(a) IN GENERAL.—For purposes of section 38, in
 12 the case of a taxpayer who is an original manufacturer
 13 of natural gas vehicles, the natural gas vehicle credit de-
 14 termined under this section for any taxable year with re-
 15 spect to each eligible natural gas vehicle produced by the
 16 taxpayer during such year is an amount equal to the lesser
 17 of—

18 “(1) 10 percent of the manufacturer’s basis in
 19 such vehicle, or

20 “(2) \$4,000.

21 “(b) AGGREGATE CREDIT ALLOWED.—The aggre-
 22 gate amount of credit allowed under subsection (a) with
 23 respect to a taxpayer for any taxable year shall not exceed
 24

1 \$200,000,000 reduced by the amount of the credit allowed
2 under subsection (a) to the taxpayer (or any predecessor)
3 for all prior taxable years.

4 “(c) DEFINITIONS.—For the purposes of this sec-
5 tion—

6 “(1) ELIGIBLE NATURAL GAS VEHICLE.—The
7 term ‘eligible natural gas vehicle’ means a motor ve-
8 hicle (as defined in section 30B(h)(1)) that is capa-
9 ble of operating on natural gas and is described in
10 30B(e)(4)(A).

11 “(2) MANUFACTURER.—The term ‘manufac-
12 turer’ has the meaning given such term in regula-
13 tions prescribed by the Administrator of the Envi-
14 ronmental Protection Agency for purposes of title II
15 of the Clean Air Act (42 U.S.C. 7521 et seq.).

16 “(d) SPECIAL RULES.—For purposes of this sec-
17 tion—

18 “(1) IN GENERAL.—Rules similar to the rules
19 of subsections (c), (d), and (e) of section 52 shall
20 apply.

21 “(2) CONTROLLED GROUPS.—

22 “(A) IN GENERAL.—All persons treated as
23 a single employer under subsection (a) or (b) of
24 section 52 or subsection (m) or (o) of section
25 414 shall be treated as a single producer.

1 “(B) INCLUSION OF FOREIGN CORPORA-
 2 TIONS.—For purposes of subparagraph (A), in
 3 applying subsections (a) and (b) of section 52
 4 to this section, section 1563 shall be applied
 5 without regard to subsection (b)(2)(C) thereof.

6 “(C) VERIFICATION.—No amount shall be
 7 allowed as a credit under subsection (a) with
 8 respect to which the taxpayer has not submitted
 9 such information or certification as the Sec-
 10 retary, in consultation with the Secretary of
 11 Energy, determines necessary.

12 “(e) TERMINATION.—This section shall not apply to
 13 any vehicle produced after December 31, 2018.”.

14 (b) CREDIT TO BE PART OF BUSINESS CREDIT.—
 15 Section 38(b) is amended by striking “plus” at the end
 16 of paragraph (35), by striking the period at the end of
 17 paragraph (36) and inserting “, plus”, and by adding at
 18 the end the following:

19 “(37) the natural gas vehicle credit determined
 20 under section 45R(a).”.

21 (c) CONFORMING AMENDMENT.—The table of sec-
 22 tions for subpart D of part IV of subchapter A of chapter
 23 1 is amended by inserting after the item relating to section
 24 45R the following new item:

“Sec. 45S. Production of vehicles fueled by natural gas or liquefied natural
 gas.”.

1 (d) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to vehicles produced after Decem-
3 ber 31, 2013.

4 **SEC. 202. ADDITIONAL VEHICLES QUALIFYING FOR THE AD-**
5 **VANCED TECHNOLOGY VEHICLES MANUFAC-**
6 **TURING INCENTIVE PROGRAM.**

7 (a) IN GENERAL.—Notwithstanding any other provi-
8 sion of law, a covered vehicle (as defined in subsection (b))
9 shall be considered an advanced technology vehicle for
10 purposes of the advanced technology vehicle incentive pro-
11 gram established under section 136 of the Energy Inde-
12 pendence and Security Act of 2007 (42 U.S.C. 17013),
13 and manufacturers and component suppliers of such cov-
14 ered vehicles shall be eligible for an award under such sec-
15 tion.

16 (b) DEFINITIONS.—As used in this section—

17 (1) the term “covered vehicle” means a light-
18 duty vehicle or a medium-duty or heavy-duty truck
19 or bus that is only capable of operating on com-
20 pressed or liquefied natural gas, a bi-fueled motor
21 vehicle that is capable of achieving a minimum of 85
22 percent of its total range with compressed or lique-
23 fied natural gas, or a dual-fuel vehicle that operates
24 on a mixture of natural gas and gasoline or diesel

1 fuel but is not capable of operating on a mixture of
 2 less than 75 percent natural gas;

3 (2) the term “bi-fuel vehicle” means a vehicle
 4 that is capable of operating on compressed or lique-
 5 fied natural gas and gasoline or diesel fuel; and

6 (3) the term “dual-fuel vehicle” means a vehicle
 7 that is capable of operating on a mixture of com-
 8 pressed or liquefied natural gas and gasoline or die-
 9 sel fuel.

10 **TITLE III—INCENTIVIZE THE IN-** 11 **STALLATION OF NATURAL** 12 **GAS FUEL PUMPS**

13 **SEC. 301. EXTENSION AND MODIFICATION OF ALTER-** 14 **NATIVE FUEL VEHICLE REFUELING PROP-** 15 **ERTY CREDIT.**

16 (a) IN GENERAL.—Subsection (g) of section 30C is
 17 amended by striking “and” at the end of paragraph (1),
 18 by redesignating paragraph (2) as paragraph (3), and by
 19 inserting after paragraph (1) the following new paragraph:

20 “(2) in the case of property relating to com-
 21 pressed or liquefied natural gas, after December 31,
 22 2018, and”.

23 (b) EFFECTIVE DATE.—The amendments made by
 24 subsection (a) shall apply to property placed in service
 25 after the date of the enactment of this Act.

1 **SEC. 302. INCREASE IN CREDIT FOR CERTAIN ALTER-**
2 **NATIVE FUEL VEHICLE REFUELING PROP-**
3 **ERTIES.**

4 (a) IN GENERAL.—Subsection (b) of section 30C is
5 amended to read as follows:

6 “(b) LIMITATION.—The credit allowed under sub-
7 section (a) with respect to all qualified alternative fuel ve-
8 hicle refueling property placed in service by the taxpayer
9 during the taxable year at a location shall not exceed—

10 “(1) except as provided in paragraph (2),
11 \$30,000 in the case of a property of a character
12 subject to an allowance for depreciation,

13 “(2) in the case of compressed natural gas
14 property and liquefied natural gas property which is
15 of a character subject to an allowance for deprecia-
16 tion, the lesser of—

17 “(A) 50 percent of such cost, or

18 “(B) \$100,000, and

19 “(3) \$2,000 in any other case.”.

20 (b) EFFECTIVE DATE.—The amendment made by
21 this section shall apply to property placed in service in
22 taxable years beginning after December 31, 2013.

TITLE IV—NATURAL GAS VEHICLES

SEC. 401. GRANTS FOR NATURAL GAS VEHICLES RESEARCH AND DEVELOPMENT.

(a) RESEARCH, DEVELOPMENT AND DEMONSTRATION PROGRAMS.—The Secretary shall provide funding to improve the performance and efficiency and integration of natural gas powered motor vehicles and heavy-duty on-road vehicles as part of any programs funded pursuant to section 911 of the Energy Policy Act of 2005 (42 U.S.C. 16191) and also with respect to funding for heavy-duty engines pursuant to section 754 of the Energy Policy Act of 2005 (42 U.S.C. 16102).

(b) IN GENERAL.—The Secretary of Energy may make grants to original equipment manufacturers of light-duty and heavy-duty natural gas vehicles for the development of engines that reduce emissions, improve performance and efficiency, and lower cost.

SEC. 402. SENSE OF THE CONGRESS REGARDING EPA CERTIFICATION OF NGV RETROFIT KITS.

It is the sense of the Congress that the Environmental Protection Agency should streamline the process for certification of natural gas vehicle retrofit kits to promote energy security while still fulfilling the mission of the Clean Air Act.

1 **SEC. 403. SENSE OF THE CONGRESS REGARDING EPA AND**
 2 **NHTSA REGULATION OF MEDIUM- AND**
 3 **HEAVY-DUTY ENGINES AND VEHICLES.**

4 It is the sense of the Congress that the Environ-
 5 mental Protection Agency new fuel economy and green-
 6 house gas emission regulations for medium- and heavy-
 7 duty engines and vehicles should provide incentives to en-
 8 courage and reward manufacturers who produce natural
 9 gas powered vehicles. Such regulations should take into
 10 account the petroleum reductions provided by such vehi-
 11 cles and also quantify all greenhouse gas emission reduc-
 12 tions provided by natural gas powered engines and vehi-
 13 cles.

14 **SEC. 404. AMENDMENT TO SECTION 508 OF THE ENERGY**
 15 **POLICY ACT OF 1992.**

16 (a) REPOWER OR CONVERTED ALTERNATIVE
 17 FUELED VEHICLES DEFINED.—Subsection (a) of section
 18 508 of the Energy Policy Act of 1992 (42 U.S.C. 13258)
 19 is amended by adding at the end the following new para-
 20 graph:

21 “(6) REPOWERED OR CONVERTED.—The term
 22 ‘repowered or converted’ means modified with a cer-
 23 tified engine or aftermarket system so that the vehi-
 24 cle is capable of operating on an alternative fuel.”.

25 (b) ALLOCATION OF CREDITS.—Subsection (b) of
 26 section 508 of the Energy Policy Act of 1992 (42 U.S.C.

1 13258) is amended by adding at the end the following new
2 paragraph:

3 “(3) REPOWERED OR CONVERTED VEHICLES.—

4 Not later than January 1, 2018, the Secretary shall
5 allocate credits to fleets that repower or convert an
6 existing vehicle so that it is capable of operating on
7 an alternative fuel. In the case of any medium-duty
8 or heavy-duty vehicle that is repowered or converted,
9 the Secretary shall allocate additional credits for
10 such vehicles if the Secretary determines that such
11 vehicles displace more petroleum than light-duty al-
12 ternative fueled vehicles. The Secretary shall include
13 a requirement that such vehicles remain in the fleet
14 for a period of no less than 2 years in order to con-
15 tinue to qualify for credit. The Secretary also shall
16 extend the flexibility afforded in this section to Fed-
17 eral fleets subject to the purchase provisions con-
18 tained in section 303 of this Act.”.

○