113TH CONGRESS
2D SESSION

S. 2573

To amend the Internal Revenue Code of 1986 to increase, expand, and extend the credit for hydrogen-related alternative fuel vehicle refueling property and to increase the investment credit for more efficient fuel cells.

IN THE SENATE OF THE UNITED STATES

JULY 9, 2014

Mr. BLUMENTHAL 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 increase, expand, and extend the credit for hydrogen-related alternative fuel vehicle refueling property and to increase the investment credit for more efficient fuel cells.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Fuel Cell and Hydrogen Infrastructure Act of 2014".

SEC. 2. EXPANSION OF CREDIT FOR HYDROGEN-RELATED ALTERNATIVE FUEL VEHICLE REFUELING PROPERTY.

(a) INCREASE IN CREDIT PERCENTAGE.—Subsection (a) of section 30C of the Internal Revenue Code of 1986 is amended by inserting ''(50 percent in the case of property relating to hydrogen)'' after ''30 percent''.

(b) NO DOLLAR LIMITATION.—Subsection (b) of section 30C of the Internal Revenue Code of 1986 is amended by adding at the end the following flush sentence: ''The preceding sentence shall not apply in the case of property related to hydrogen.''.

(c) CREDIT ALLOWABLE FOR REFUELING PROPERTY FOR CERTAIN MOTOR VEHICLES DESIGNED FOR CARRYING OR TOWING LOADS.—

(1) IN GENERAL.—Subsection (c) of section 30C of the Internal Revenue Code of 1986 is amended by striking ''and'' at the end of paragraph (1), by redesignating paragraph (2) as paragraph (3), and by inserting after paragraph (1) the following new paragraph:

''(2) with respect to property described in section 179A(d)(3)(A) for the storage or dispensing of fuel at least 85 percent of the volume of which consists of hydrogen, the reference to motor vehicles in section 179A(d)(3)(A) includes specified off-highway vehicles, and''.

(2) SPECIFIED OFF-HIGHWAY VEHICLES DEFINED.—Subsection (e) of section 30C of such Code is amended by adding at the end the following new paragraph:

''(7) SPECIFIED OFF-HIGHWAY VEHICLES.—For purposes of subsection (c)(2)—

''(A) IN GENERAL.—The term 'specified off-highway vehicles' means all types of vehicles propelled by motor that are designed for carrying or towing loads from one place to another, regardless of the type of load or material carried or towed and whether or not the vehicle is registered or required to be registered for highway use, including fork lift trucks used to carry loads at railroad stations, industrial plants, and warehouses.

''(B) EXCEPTIONS.—Such term does not include—

''(i) farm tractors, trench diggers, power shovels, bulldozers, road graders or rollers, and similar equipment which does not carry or tow a load, and "(ii) any vehicle that operates exclusively on a rail or rails.".

(d) CREDIT FOR HYDROGEN PROPERTY EXTENDED THROUGH 2016.—Paragraph (1) of section 30C(g) of the Internal Revenue Code of 1986 is amended by striking "December 31, 2014" and inserting "December 31, 2016".

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by subsections (a) and (c) shall apply to property placed in service after the date of the enactment of this Act in taxable years ending after such date.

(2) REPEAL OF LIMITATION.—The amendment made by subsection (b) shall apply to taxable years beginning after the date of the enactment of this Act.

(3) HYDROGEN REFUELING PROPERTY.—The amendment made by subsection (d) shall apply to property placed in service after December 31, 2014.

SEC. 3. INCREASED INVESTMENT CREDIT FOR MORE EFFICIENT FUEL CELLS.

(a) INCREASED PERCENTAGE.—

(1) IN GENERAL.—Subparagraph (A) of section 48(a)(2) of the Internal Revenue Code of 1986 is amended by striking "and" at the end of clause (i),

by redesignating clause (ii) as clause (iv), and by inserting after clause (i) the following new clauses:

"(ii) 40 percent in the case of qualified fuel cell property used in a combined heat and power system having an energy efficiency percentage (as defined in section 48(c)(3)(C)) of at least 60 percent but less than 70 percent,

"(iii) 50 percent in the case of qualified fuel cell property used in such a system having an energy efficiency percentage (as so defined) of 70 percent or more, and".

(2) CONFORMING AMENDMENTS.—

(A) Subclause (I) of section 48(a)(2)(A)(i) of such Code is amended by inserting "not described in clause (ii) or (iii)" before the comma.

(B) Clause (iv) of section 48(a)(2)(A) of such Code, as redesignated by paragraph (1), is amended by striking "to which clause (i) does not apply" and inserting "to which none of the preceding clauses apply".

(b) INCREASED MAXIMUM CREDIT.—Subparagraph (B) of section 48(c)(1) of such Code is amended to read as follows:

"(B) LIMITATION.—In the case of qualified fuel cell property placed in service during the taxable year, the credit otherwise determined under subsection (a) for such year with respect to such property shall not exceed an amount equal to—

"(i) in the case of property described in subsection (a)(2)(A)(i)(I), $1,500 for each 0.5 kilowatt of capacity of such property,

"(ii) in the case of property described in subsection (a)(2)(A)(ii), $2,000 for each 0.5 kilowatt of capacity of such property, and

"(iii) in the case of property described in subsection (a)(2)(A)(iii), $2,500 for each 0.5 kilowatt of capacity of such property.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

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