

116TH CONGRESS
1ST SESSION

H. R. 5393

To amend the Internal Revenue Code of 1986 to revise the incentives for electric vehicles, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 11, 2019

Ms. SPEIER (for herself, Ms. NORTON, Mrs. TORRES of California, Mr. TAKANO, Mr. POCAN, Mr. RYAN, Mrs. WATSON COLEMAN, Ms. MCCOLLUM, Mr. VARGAS, Ms. MENG, Ms. ROYBAL-ALLARD, Mr. HUFFMAN, Mr. NORCROSS, Mr. GARAMENDI, Mr. QUIGLEY, Mr. DESAULNIER, Ms. KAPTUR, Mr. SIRES, Mr. MCNERNEY, Ms. MATSUI, Mr. CRIST, Mr. LOWENTHAL, Mr. CUELLAR, Ms. TLAIB, Mrs. DINGELL, Ms. BROWNLEY of California, Mr. ROUDA, Ms. MOORE, Mr. GRIJALVA, Mr. CLEAVER, and Mr. CÁRDENAS) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to revise the incentives for electric 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; FINDINGS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Affordable American-made Automobile Act”.

6 (b) FINDINGS.—Congress finds the following:

1 (1) The automobile industry is vital to the na-
2 tional economy and to national security. It employs
3 millions of Americans and develops new technologies
4 with widespread civilian and military application.

5 (2) The global automobile industry is already in
6 the midst of an historic transformation to electric
7 vehicle technology. This transition has profound im-
8 plications for all Americans.

9 (3) In critical measures of the global competi-
10 tion in the electric vehicle industry, the United
11 States is behind China and is projected to fall fur-
12 ther behind. The United States is behind in total ve-
13 hicle sales, behind in the market share of new car
14 sales, behind in investment, behind in battery manu-
15 facturing capacity, and behind in manufacturing ca-
16 pacity. The United States lags China to a great ex-
17 tent, but the United States is in third place in this
18 competition, behind the European Union.

19 (4) China sells half the electric vehicles sold in
20 the world. In addition, China's percent of new car
21 market share of electric vehicles is twice that of the
22 United States. In a few short years, the Chinese new
23 market share of electric vehicles is expected to be
24 triple the new market share in the United States.

1 (5) China is predicted to control about 75 per-
2 cent of the global battery capacity.

3 (6) Global investment in electric vehicles is ex-
4 pected to reach \$300 billion or even more; half of
5 which is intended for China and only 10 percent for
6 the United States.

7 (7) There are 17 Chinese automobile manufac-
8 turers that have announced or undertaken electric
9 vehicle investment. Even assuming some consolida-
10 tion of the Chinese industry, it will dwarf the num-
11 ber of manufacturers headquartered in the United
12 States which is currently 4.

13 (8) China supports its electric vehicle industry
14 through a wide array of practices including state-
15 owned enterprises, direct subsidies, special access to
16 financing, government guarantees of financing, ex-
17 emptions from various regulatory requirements, pub-
18 lic purchasing, favoritism for Chinese firms, restric-
19 tions on market entry to foreign competition, and
20 regulatory mandates.

21 (9) Chinese domination of the electric vehicle
22 industry will inevitably erode United States auto-
23 mobile manufacturing and the United States supply
24 chain potentially resulting in the loss of hundreds of
25 thousands of jobs. Employment in the innovation

1 and research side of the industry has already begun
2 a migration outside the United States.

3 (10) United States communities are also cur-
4 rently suffering from extreme events of flood, wind,
5 and fire, as well as health-threatening air pollution,
6 all of which are related to a warming planet. Electric
7 vehicles will play a critical role in reducing the pollu-
8 tion that contributes to these tragedies.

9 (11) Without changes to public policy, the auto-
10 motive industry in the United States will face ag-
11 gressive competition from foreign companies, chiefly
12 located in China, and will fight a competitive battle
13 on grossly unequal terms due to foreign government
14 policies that unfairly favor overseas manufacturers.

15 (12) Such an unfair fight is unwinnable by pri-
16 vate industry alone and is therefore a national pri-
17 ority for the Government of the United States to
18 enter on behalf of every current and future Amer-
19 ican.

20 (13) The United States faces a moment of crit-
21 ical choice. It either makes the investments nec-
22 essary to achieve global competitive leadership in
23 this key industry, or it will face profound and dire
24 consequences to its economy and its national secu-
25 rity.

1 (14) The United States needs to stimulate de-
 2 mand for electric vehicles from middle class con-
 3 sumers. Tax incentives for the development of con-
 4 venient fast charging infrastructure are essential.
 5 Investment is needed to support increased electric
 6 vehicle and battery manufacturing capacity.

7 **SEC. 2. EXPANSION OF TAX CREDIT FOR ELECTRIC DRIVE**
 8 **MOTOR VEHICLES.**

9 (a) APPLICATION TO NEW AND USED BATTERY
 10 ELECTRIC MOTOR VEHICLES.—

11 (1) IN GENERAL.—Section 30D(a) of the Inter-
 12 nal Revenue Code of 1986 is amended by striking
 13 “new qualified plug-in electric drive motor vehicle”
 14 and inserting “credit eligible electric motor vehicle”.

15 (2) PER VEHICLE DOLLAR LIMITATION.—Sec-
 16 tion 30D(b) of such Code is amended—

17 (A) in paragraph (1)—

18 (i) by striking “paragraphs (2) and
 19 (3)” and inserting “paragraphs (4) and
 20 (5)”; and

21 (ii) by striking “IN GENERAL” in the
 22 heading and inserting “NEW QUALIFIED
 23 PLUG-IN ELECTRIC DRIVE MOTOR VEHI-
 24 CLES”;

(B) by redesignating paragraphs (2) and (3) as paragraphs (4) and (5), respectively, and inserting after paragraph (1) the following new paragraphs:

“(2) NEW BATTERY ELECTRIC MOTOR VEHICLES.—

“(A) IN GENERAL.—The amount determined under this subsection with respect to any new battery electric motor vehicle is—

“(i) \$12,000 (\$15,000 in the case of new battery electric motor vehicles acquired after December 31, 2018, and before the date which is 5 years after the date of the enactment of the Affordable American-made Automobile Act) if the price of such vehicle is not more than \$35,000, and

“(ii) \$7,500 if the price of such vehicle is greater than \$35,000.

“(B) DETERMINATION OF PRICE.—For purposes of this paragraph, the term ‘price’ means—

“(i) except as provided in clause (ii), the final sales price agreed upon by the taxpayer and the person from whom the

1 taxpayer acquires such vehicle (determined
2 without regard to any taxes or fees im-
3 posed by any State or local government),
4 and

5 “(ii) in the case of a lease, the price
6 of the vehicle stated in the lease agreement
7 between the lessor and lessee (as so deter-
8 mined).

9 “(3) USED BATTERY ELECTRIC MOTOR VEHI-
10 CLES.—The amount determined under this sub-
11 section with respect to any used battery electric
12 motor vehicle is—

13 “(A) \$5,000 if the taxpayer trades in a ve-
14 hicle that is powered by an internal combustion
15 engine in connection with the taxpayer’s acqui-
16 sition of such used battery electric motor vehi-
17 cle, and

18 “(B) \$0 in any other case.”; and

19 (C) in paragraph (5) (as so redesignated),
20 by striking “a vehicle” and inserting “a new
21 qualified plug-in electric drive motor vehicle”.

22 (3) CREDIT ELIGIBLE ELECTRIC MOTOR VEHI-
23 CLE.—Section 30D(d) of such Code is amended—

1 (A) by redesignating paragraphs (2), (3),
 2 and (4) as paragraphs (5), (6), and (7), respec-
 3 tively;

4 (B) by redesignating paragraph (1) as
 5 paragraph (2);

6 (C) in paragraph (2) (as so redesign-
 7 nated)—

8 (i) in subparagraph (F), by inserting
 9 “utilizes an internal combustion engine
 10 and” before “is propelled”; and

11 (ii) by striking “IN GENERAL” in the
 12 heading and inserting “NEW QUALIFIED
 13 PLUG-IN ELECTRIC DRIVE MOTOR VEHI-
 14 CLE”;

15 (D) by striking all that precedes paragraph
 16 (2) (as so redesignated) and inserting the fol-
 17 lowing:

18 “(d) CREDIT ELIGIBLE MOTOR VEHICLE.—For pur-
 19 poses of this section—

20 “(1) CREDIT ELIGIBLE MOTOR VEHICLE.—The
 21 term ‘credit eligible motor vehicle’ means—

22 “(A) a new qualified plug-in electric drive
 23 motor vehicle,

24 “(B) a new battery electric motor vehicle,
 25 and

1 “(C) a used battery electric motor vehi-
2 cle.”; and

3 (E) by inserting after paragraph (2) (as so
4 redesignated) the following new paragraphs:

5 “(3) NEW BATTERY ELECTRIC MOTOR VEHI-
6 CLE.—The term ‘new battery electric motor vehicle’
7 means a motor vehicle—

8 “(A) which meets the requirements of sub-
9 paragraphs (A) through (E) of paragraph (2),

10 “(B) which is powered by a battery electric
11 drive train,

12 “(C) which produces zero exhaust emis-
13 sions of any criteria pollutant (including any
14 precursor pollutant) or greenhouse gas (other
15 than emissions from air conditioning systems)
16 under any possible operational modes or condi-
17 tions,

18 “(D) the battery cell, battery pack, battery
19 cooling system, and battery management sys-
20 tem of which are all manufactured in the
21 United States, and

22 “(E) the assembly of which is in the
23 United States.

24 “(4) USED BATTERY ELECTRIC MOTOR VEHI-
25 CLE.—

1 “(A) IN GENERAL.—The term ‘used bat-
2 tery electric motor vehicle’ means a motor vehi-
3 cle—

4 “(i) the original use of which com-
5 mences with a person other than the tax-
6 payer,

7 “(ii) which meets the requirements of
8 subparagraphs (B) through (E) of para-
9 graph (2), and

10 “(iii) which meets the requirements of
11 subparagraphs (B) through (E) of para-
12 graph (3).

13 “(B) ONLY 1 CREDIT PER VEHICLE.—No
14 credit shall be allowed under this section with
15 respect to any used battery electric motor vehi-
16 cle placed in service by the taxpayer if a credit
17 is allowable under this section by reason of such
18 vehicle being placed in service at any time prior
19 to the time that such vehicle is placed in service
20 by the taxpayer (other than a credit which is so
21 allowable by reason of such vehicle being a new
22 battery electric motor vehicle).”.

23 (b) CARRYOVER OF PERSONAL CREDIT.—Section
24 30D(c)(2) of such Code is amended—

1 (1) by striking “For purposes” and inserting
2 the following:

3 “(A) IN GENERAL.—For purposes”; and

4 (2) by adding at the end the following new sub-
5 paragraph:

6 “(B) CARRYBACK AND CARRYFORWARD OF
7 UNUSED CREDITS.—

8 “(i) IN GENERAL.—If the credit de-
9 scribed in subparagraph (A) exceeds the
10 limitation imposed by section 26(a) for the
11 taxable year reduced by the sum of the
12 credits allowable under subpart A (deter-
13 mined without regard to the credit de-
14 scribed in subparagraph (A)), such excess
15 shall be—

16 “(I) carried back to the taxable
17 year preceding the taxable year in
18 which such amount arose, and

19 “(II) carried forward to the 5
20 taxable years following the taxable
21 year in which such amount arose.

22 “(ii) LIMITATION.—For purposes of
23 clause (i), the amount of credit carried
24 back or forward under such clause—

1 “(I) shall be taken into account
 2 as a credit described in subparagraph
 3 (A) for the taxable year to which car-
 4 ried (except, in the case of a
 5 carryback, such amount shall not be
 6 taken into account for purposes of ap-
 7 plying clause (i) to such taxable year),
 8 and

9 “(II) such amounts shall be
 10 treated as used on a first-in, first-out
 11 basis, determined on the basis of the
 12 taxable year in which such amount
 13 arose.”.

14 (c) ASSIGNMENT OF CREDIT TO FINANCING ENTI-
 15 TY.—Section 30D(f) of such Code is amended by adding
 16 at the end the following new paragraph:

17 “(8) CREDIT MAY BE ASSIGNED TO FINANCING
 18 ENTITY.—

19 “(A) IN GENERAL.—In the case of a credit
 20 determined under subsection (a) with respect to
 21 a new qualified plug-in electric drive motor ve-
 22 hicle or a new battery electric motor vehicle, the
 23 taxpayer to whom such credit would (but for
 24 this paragraph) be allowed under subsection (a)
 25 for any taxable year may assign such credit to

1 the person who financed the purchase (or lease
 2 of at least 2 years) of such vehicle. Any person
 3 to whom such credit is assigned under the pre-
 4 ceding sentence shall be treated for purposes of
 5 this title as the taxpayer who placed such vehi-
 6 cle in service.

7 “(B) DISCLOSURE REQUIREMENT.—Sub-
 8 paragraph (A) shall not apply with respect to
 9 any vehicle unless the person to whom the cred-
 10 it is assigned clearly discloses in writing to the
 11 taxpayer the amount of the credit allowable
 12 under subsection (a) with respect to such vehi-
 13 cle (determined without regard to subsection
 14 (c)).”.

15 (d) MODIFICATION OF TERMINATION OF CREDIT.—

16 (1) REPEAL OF MANUFACTURERS LIMITA-
 17 TION.—Section 30D of such Code is amended by
 18 striking subsection (e).

19 (2) TERMINATION OF CREDIT.—Section 30D of
 20 such Code is amended by adding at the end the fol-
 21 lowing new subsection:

22 “(h) TERMINATION.—This section shall not apply to
 23 any vehicle placed in service after December 31, 2030.”.

24 (e) EFFECTIVE DATES.—

1 (1) IN GENERAL.—Except as otherwise pro-
 2 vided in this subsection, the amendments made by
 3 this section shall apply to vehicles acquired after De-
 4 cember 31, 2018.

5 (2) CARRYFORWARD.—The amendments made
 6 by subsection (b) shall apply to vehicles acquired
 7 after the date of the enactment of this Act.

8 (3) ASSIGNMENT.—The amendment made by
 9 subsection (c) shall apply to vehicles acquired after
 10 the date which is 60 days after the date of the en-
 11 actment of this Act.

12 **SEC. 3. ALTERNATIVE FUEL VEHICLE REFUELING PROP-**
 13 **ERTY CREDIT EXTENDED FOR ELECTRIC VE-**
 14 **HICLE CHARGING STATIONS.**

15 (a) EXTENSION.—Section 30C(g) of the Internal
 16 Revenue Code of 1986 is amended by striking “December
 17 31, 2017” and inserting “December 31, 2030”.

18 (b) REPEAL OF LIMITATION.—Section 30C of such
 19 Code is amended by striking subsection (b).

20 (c) APPLICATION TO ELECTRIC VEHICLE CHARGING
 21 STATIONS.—

22 (1) IN GENERAL.—Section 30C(a) of such Code
 23 is amended by striking “qualified alternative fuel ve-
 24 hicle refueling property” and inserting “electric vehi-
 25 cle charging station”.

1 (2) ELECTRIC VEHICLE CHARGING STATION DE-
2 FINED.—Section 30C(e) of such Code is amended to
3 read as follows:

4 “(c) ELECTRIC VEHICLE CHARGING STATION.—For
5 purposes of this section, the term ‘electric vehicle charging
6 station’ means a station designed for recharging an elec-
7 tric battery of a credit eligible motor vehicle (as defined
8 in section 30D(d), but determined without regard to the
9 requirements of subparagraphs (D) and (E) of paragraph
10 (3) thereof).”.

11 (d) CONFORMING AMENDMENTS.—

12 (1) Section 30C(e)(2) of such Code is amended
13 by striking “qualified alternative fuel vehicle refuel-
14 ing property” and inserting “electric vehicle charg-
15 ing station”.

16 (2) Section 30C(e) of such Code is amended by
17 striking paragraph (6) and redesignating paragraph
18 (7) as paragraph (6).

19 (3) Section 38(b)(25) of such Code is amended
20 by striking “alternative fuel vehicle refueling prop-
21 erty credit” and inserting “electric vehicle charging
22 station credit”.

23 (4) The heading of section 30C of such Code
24 (and the item relating to such section in the table
25 of sections for subpart B of part IV of subchapter

1 A of chapter 1 of such Code) is amended by striking
 2 “**ALTERNATIVE FUEL VEHICLE REFUELING**
 3 **PROPERTY**” and inserting “**ELECTRIC VEHICLE**
 4 **RECHARGING STATION**”.

5 (e) **EFFECTIVE DATE.**—The amendments made by
 6 this section shall apply to property placed in service after
 7 December 31, 2018.

8 **SEC. 4. PRIVATE ACTIVITY BONDS RELATED TO ELECTRIC**
 9 **VEHICLE MANUFACTURING.**

10 (a) **IN GENERAL.**—Section 142(a) of the Internal
 11 Revenue Code of 1986 is amended by striking “or” at the
 12 end of paragraph (14), by striking the period at the end
 13 of paragraph (15) and inserting “, or”, and by adding at
 14 the end the following new paragraph:

15 “(16) a qualified battery electric motor vehicle
 16 manufacturing facility or a qualified electric vehicle
 17 battery manufacturing facility.”.

18 (b) **FACILITIES DEFINED.**—Section 142 of such Code
 19 is amended by adding at the end the following new sub-
 20 section:

21 “(n) **QUALIFIED BATTERY ELECTRIC MOTOR VEHI-**
 22 **CLE MANUFACTURING AND QUALIFIED ELECTRIC VEHI-**
 23 **CLE BATTERY MANUFACTURING FACILITIES.**—

24 “(1) **IN GENERAL.**—For purposes of subsection

25 (a)(16)—

1 “(A) the term ‘qualified battery electric
2 motor vehicle manufacturing facility’ means a
3 battery electric motor vehicle manufacturing fa-
4 cility designated by the Secretary under this
5 subsection, and

6 “(B) the term ‘qualified electric vehicle
7 battery manufacturing facility’ means an elec-
8 tric vehicle battery manufacturing facility des-
9 ignated by the Secretary under this subsection.

10 “(2) BATTERY ELECTRIC MOTOR VEHICLE MAN-
11 UFACTURING FACILITY.—For purposes of this sub-
12 section—

13 “(A) IN GENERAL.—The term ‘battery
14 electric motor vehicle manufacturing facility’
15 means a facility for manufacturing battery elec-
16 tric motor vehicles.

17 “(B) BATTERY ELECTRIC MOTOR VEHI-
18 CLES.—The term ‘battery electric motor vehicle’
19 means an automobile which is powered by a
20 battery electric drive train and which produces
21 zero exhaust emissions of any criteria pollutant
22 (including any precursor pollutant) or green-
23 house gas (other than emissions from air condi-
24 tioning systems) under any possible operational
25 modes or conditions.

1 “(3) ELECTRIC VEHICLE BATTERY MANUFAC-
2 TURING FACILITY.—The term ‘electric vehicle bat-
3 tery manufacturing facility’ means a facility for
4 manufacturing batteries for use in battery electric
5 motor vehicles.

6 “(4) AGGREGATE LIMITATION ON DESIGNA-
7 TIONS.—

8 “(A) IN GENERAL.—An issue shall not be
9 treated as an issue described in subsection
10 (a)(16) if the aggregate face amount of bonds
11 issued by the State or local government pursu-
12 ant thereto for any facility (when added to the
13 aggregate face amount of bonds previously so
14 issued for such facility) exceeds the amount al-
15 located to such facility by the Secretary under
16 this subsection.

17 “(B) AGGREGATE LIMITATION.—The Sec-
18 retary may not allocate more than
19 \$15,000,000,000 to facilities designated under
20 this subsection.

21 “(5) STANDARDS FOR DESIGNATION.—The Sec-
22 retary shall not designate a facility for purposes of
23 this subsection unless—

1 “(A) an application has been submitted to
2 the Secretary with respect to such facility which
3 meets the requirements of paragraph (7),

4 “(B) such facility is located in the United
5 States,

6 “(C) such facility has been nominated by a
7 State or local government during the 180-day
8 period ending with the date of such application,
9 and

10 “(D) such State or local government pro-
11 vides written assurances of the accuracy of the
12 application with respect to such facility.

13 “(6) PRIORITY FOR RETOOLING OF EXISTING
14 FACILITIES.—The Secretary shall give priority in
15 making designations and allocations under this sub-
16 section to the retooling of existing manufacturing fa-
17 cilities, especially the oldest facilities or facilities
18 that have been in existence for at least 20 years
19 (whether or not such facilities are idle).

20 “(7) CONDITIONAL DESIGNATIONS.—The Sec-
21 retary may approve a designation under this sub-
22 section subject to such conditions as the Secretary
23 may determine are necessary to satisfy the purposes
24 of this subsection or to protect the national security
25 interests of the United States.

1 “(8) APPLICATION.—An application with re-
2 spect to a facility for designation under this sub-
3 section shall include—

4 “(A) a written agreement that—

5 “(i) all laborers and mechanics em-
6 ployed by contractors or subcontractors
7 during construction, alteration, or repair
8 that is financed, in whole or in part, by the
9 proceeds of the issue shall be paid wages
10 at rates not less than those prevailing on
11 similar construction in the locality, as de-
12 termined by the Secretary of Labor in ac-
13 cordance with sections 3141–3144, 3146,
14 and 3147 of title 40, United States Code,
15 and

16 “(ii) the Secretary of Labor shall,
17 with respect to the labor standards de-
18 scribed in clause (i), have the authority
19 and functions set forth in Reorganization
20 Plan Numbered 14 of 1950 (5 U.S.C.
21 App.) and section 3145 of title 40, United
22 States Code,

23 “(B) evidence satisfactory to the Secretary
24 that the project will improve the global competi-
25 tive position of the United States in the electric

1 vehicle industry, will stimulate the regional
2 economy at the facility location, and will pro-
3 vide quality jobs and labor standards consistent
4 with the United States automobile industry,
5 and

6 “(C) a demonstration that the facility in-
7 cludes the use of energy efficiency, renewable
8 energy, and other sustainable design features to
9 the extent feasible.

10 “(9) TIME LIMIT ON EXPENDITURE OF BOND
11 PROCEEDS.—An issue shall not be treated as an
12 issue described in subsection (a)(16) unless at least
13 95 percent of the net proceeds of the issue are ex-
14 pended for the facility designated under this sub-
15 section within the 5-year period beginning on the
16 date of issuance. If at least 95 percent of such net
17 proceeds is not so expended within such 5-year pe-
18 riod, an issue shall be treated as continuing to be
19 described in subsection (a)(16) if the issuer uses all
20 remaining proceeds of the issue to redeem bonds of
21 the issue within 90 days after the end of such 5-year
22 period. The Secretary, at the request of the issuer,
23 may extend such 5-year period if the issuer estab-
24 lishes that the failure to make such expenditures is

1 due to circumstances beyond the control of the
2 issuer.”.

3 (c) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to bonds issued after the date of
5 the enactment of this Act.

○