

Statutory Notes and Related Subsidiaries**SAVINGS PROVISION**

For provisions that nothing in repeal by Pub. L. 115-141 be construed to affect treatment of certain transactions occurring, property acquired, or items of income, loss, deduction, or credit taken into account prior to Mar. 23, 2018, for purposes of determining liability for tax for periods ending after Mar. 23, 2018, see section 401(e) of Pub. L. 115-141, set out as a note under section 23 of this title.

AMERICAN SAMOA ECONOMIC DEVELOPMENT CREDIT

Pub. L. 109-432, div. A, title I, §119, Dec. 20, 2006, 120 Stat. 2942, as amended by Pub. L. 110-343, div. C, title III, §309(a), Oct. 3, 2008, 122 Stat. 3869; Pub. L. 111-312, title VII, §756(a), Dec. 17, 2010, 124 Stat. 3322; Pub. L. 112-240, title III, §330(a), (b), Jan. 2, 2013, 126 Stat. 2335; Pub. L. 113-295, div. A, title I, §141(a), Dec. 19, 2014, 128 Stat. 4020; Pub. L. 114-113, div. Q, title I, §173(a), Dec. 18, 2015, 129 Stat. 3071; Pub. L. 115-123, div. D, title I, §40312(a), Feb. 9, 2018, 132 Stat. 147; Pub. L. 116-94, div. Q, title I, §119(a), (b), Dec. 20, 2019, 133 Stat. 3230; Pub. L. 116-260, div. EE, title I, §139(a), Dec. 27, 2020, 134 Stat. 3054, provided that:

“(a) IN GENERAL.—For purposes of [former] section 30A of the Internal Revenue Code of 1986, a domestic corporation shall be treated as a qualified domestic corporation to which such section applies if—

“(1) in the case of a taxable year beginning before January 1, 2012, such corporation—

“(A) is an existing credit claimant with respect to American Samoa, and

“(B) elected the application of [former] section 936 of the Internal Revenue Code of 1986 for its last taxable year beginning before January 1, 2006, and

“(2) in the case of a taxable year beginning after December 31, 2011, such corporation meets the requirements of subsection (e).

“(b) SPECIAL RULES FOR APPLICATION OF SECTION.—The following rules shall apply in applying [former] section 30A of the Internal Revenue Code of 1986 for purposes of this section:

“(1) AMOUNT OF CREDIT.—Notwithstanding section 30A(a)(1) of such Code, the amount of the credit determined under section 30A(a)(1) of such Code for any taxable year shall be the amount determined under section 30A(d) of such Code, except that section 30A(d) shall be applied without regard to paragraph (3) thereof.

“(2) SEPARATE APPLICATION.—In applying section 30A(a)(3) of such Code in the case of a corporation treated as a qualified domestic corporation by reason of this section, section [former] 30A of such Code (and so much of [former] section 936 of such Code as relates to such [former] section 30A) shall be applied separately with respect to American Samoa.

“(3) FOREIGN TAX CREDIT ALLOWED.—Notwithstanding [former] section 30A(e) of such Code, the provisions of [former] section 936(c) of such Code shall not apply with respect to the credit allowed by reason of this section.

“(c) DEFINITIONS.—For purposes of this section, any term which is used in this section which is also used in [former] section 30A or 936 of such Code shall have the same meaning given such term by such [former] section 30A or 936.

“(d) APPLICATION OF SECTION.—Notwithstanding [former] section 30A(h) or [former] section 936(j) of such Code, this section (and so much of [former] section 30A and [former] section 936 of such Code as relates to this section) shall apply—

“(1) in the case of a corporation that meets the requirements of subparagraphs (A) and (B) of subsection (a)(1), to the first 16 taxable years of such corporation which begin after December 31, 2006, and before January 1, 2022, and

“(2) in the case of a corporation that does not meet the requirements of subparagraphs (A) and (B) of sub-

section (a)(1), to the first 10 taxable years of such corporation which begin after December 31, 2011, and before January 1, 2022.

In the case of a corporation described in subsection (a)(2), the Internal Revenue Code of 1986 shall be applied and administered without regard to the amendments made by section 401(d)(1) of the Tax Technical Corrections Act of 2018 [div. U of Pub. L. 115-141, see Tables for classification].

“(e) QUALIFIED PRODUCTION ACTIVITIES INCOME REQUIREMENT.—A corporation meets the requirement of this subsection if such corporation has qualified production activities income, as defined in [former] subsection (c) of section 199 of the Internal Revenue Code of 1986 (as in effect before its repeal), determined by substituting ‘American Samoa’ for ‘the United States’ each place it appears in paragraphs (3), (4), and (6) of such subsection (c), for the taxable year. References in this subsection to section 199 of the Internal Revenue Code of 1986 shall be treated as references to such section as in effect before its repeal.’

[Pub. L. 116-260, div. EE, title I, §139(b), Dec. 27, 2020, 134 Stat. 3054, provided that: “The amendments made by this section [amending section 119 of Pub. L. 109-432, set out above] shall apply to taxable years beginning after December 31, 2020.”]

[Pub. L. 116-94, div. Q, title I, §119(c), Dec. 20, 2019, 133 Stat. 3230, provided that: “The amendments made by this section [amending section 119 of Pub. L. 109-432, set out above] shall apply to taxable years beginning after December 31, 2017.”]

[Pub. L. 115-123, div. D, title I, §40312(b), Feb. 9, 2018, 132 Stat. 147, provided that: “The amendments made by this section [amending section 119 of Pub. L. 109-432, set out above] shall apply to taxable years beginning after December 31, 2016.”]

[Pub. L. 114-113, div. Q, title I, §173(b), Dec. 18, 2015, 129 Stat. 3071, provided that: “The amendments made by this section [amending section 119 of Pub. L. 109-432, set out above] shall apply to taxable years beginning after December 31, 2014.”]

[Pub. L. 113-295, div. A, title I, §141(b), Dec. 19, 2014, 128 Stat. 4020, provided that: “The amendments made by this section [amending section 119 of Pub. L. 109-432, set out above] shall apply to taxable years beginning after December 31, 2013.”]

[Pub. L. 112-240, title III, §330(c), Jan. 2, 2013, 126 Stat. 2335, provided that: “The amendments made by this section [amending section 119 of Pub. L. 109-432, set out above] shall apply to taxable years beginning after December 31, 2011.”]

[Pub. L. 111-312, title VII, §756(b), Dec. 17, 2010, 124 Stat. 3322, provided that: “The amendments made by this section [amending section 119 of Pub. L. 109-432, set out above] shall apply to taxable years beginning after December 31, 2009.”]

[Pub. L. 110-343, div. C, title III, §309(b), Oct. 3, 2008, 122 Stat. 3869, provided that: “The amendments made by this section [amending section 119 of Pub. L. 109-432, set out above] shall apply to taxable years beginning after December 31, 2007.”]

§ 30B. Alternative motor vehicle credit**(a) Allowance of credit**

There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of—

(1) the new qualified fuel cell motor vehicle credit determined under subsection (b),

(2) the new advanced lean burn technology motor vehicle credit determined under subsection (c),

(3) the new qualified hybrid motor vehicle credit determined under subsection (d),

(4) the new qualified alternative fuel motor vehicle credit determined under subsection (e), and

(5) the plug-in conversion credit determined under subsection (i).

(b) New qualified fuel cell motor vehicle credit

(1) In general

For purposes of subsection (a), the new qualified fuel cell motor vehicle credit determined under this subsection with respect to a new qualified fuel cell motor vehicle placed in service by the taxpayer during the taxable year is—

(A) \$8,000 (\$4,000 in the case of a vehicle placed in service after December 31, 2009), if such vehicle has a gross vehicle weight rating of not more than 8,500 pounds,

(B) \$10,000, if such vehicle has a gross vehicle weight rating of more than 8,500 pounds but not more than 14,000 pounds,

(C) \$20,000, if such vehicle has a gross vehicle weight rating of more than 14,000 pounds but not more than 26,000 pounds, and

(D) \$40,000, if such vehicle has a gross vehicle weight rating of more than 26,000 pounds.

(2) Increase for fuel efficiency

(A) In general

The amount determined under paragraph (1)(A) with respect to a new qualified fuel cell motor vehicle which is a passenger automobile or light truck shall be increased by—

(i) \$1,000, if such vehicle achieves at least 150 percent but less than 175 percent of the 2002 model year city fuel economy,

(ii) \$1,500, if such vehicle achieves at least 175 percent but less than 200 percent of the 2002 model year city fuel economy,

(iii) \$2,000, if such vehicle achieves at least 200 percent but less than 225 percent of the 2002 model year city fuel economy,

(iv) \$2,500, if such vehicle achieves at least 225 percent but less than 250 percent of the 2002 model year city fuel economy,

(v) \$3,000, if such vehicle achieves at least 250 percent but less than 275 percent of the 2002 model year city fuel economy,

(vi) \$3,500, if such vehicle achieves at least 275 percent but less than 300 percent of the 2002 model year city fuel economy, and

(vii) \$4,000, if such vehicle achieves at least 300 percent of the 2002 model year city fuel economy.

(B) 2002 model year city fuel economy

For purposes of subparagraph (A), the 2002 model year city fuel economy with respect to a vehicle shall be determined in accordance with the following tables:

(i) In the case of a passenger automobile:

The 2002 model year city fuel economy is:

If vehicle inertia weight class is:

1,500 or 1,750 lbs	45.2 mpg
2,000 lbs	39.6 mpg
2,250 lbs	35.2 mpg
2,500 lbs	31.7 mpg
2,750 lbs	28.8 mpg
3,000 lbs	26.4 mpg
3,500 lbs	22.6 mpg

The 2002 model year city fuel economy is:

4,000 lbs	19.8 mpg
4,500 lbs	17.6 mpg
5,000 lbs	15.9 mpg
5,500 lbs	14.4 mpg
6,000 lbs	13.2 mpg
6,500 lbs	12.2 mpg
7,000 to 8,500 lbs	11.3 mpg.

(ii) In the case of a light truck:

The 2002 model year city fuel economy is:

1,500 or 1,750 lbs	39.4 mpg
2,000 lbs	35.2 mpg
2,250 lbs	31.8 mpg
2,500 lbs	29.0 mpg
2,750 lbs	26.8 mpg
3,000 lbs	24.9 mpg
3,500 lbs	21.8 mpg
4,000 lbs	19.4 mpg
4,500 lbs	17.6 mpg
5,000 lbs	16.1 mpg
5,500 lbs	14.8 mpg
6,000 lbs	13.7 mpg
6,500 lbs	12.8 mpg
7,000 to 8,500 lbs	12.1 mpg.

(C) Vehicle inertia weight class

For purposes of subparagraph (B), the term “vehicle inertia weight class” has the same meaning as when defined in regulations prescribed by the Administrator of the Environmental Protection Agency for purposes of the administration of title II of the Clean Air Act (42 U.S.C. 7521 et seq.).

(3) New qualified fuel cell motor vehicle

For purposes of this subsection, the term “new qualified fuel cell motor vehicle” means a motor vehicle—

(A) which is propelled by power derived from 1 or more cells which convert chemical energy directly into electricity by combining oxygen with hydrogen fuel which is stored on board the vehicle in any form and may or may not require reformation prior to use,

(B) which, in the case of a passenger automobile or light truck, has received on or after the date of the enactment of this section a certificate that such vehicle meets or exceeds the Bin 5 Tier II emission level established in regulations prescribed by the Administrator of the Environmental Protection Agency under section 202(i) of the Clean Air Act for that make and model year vehicle,

(C) the original use of which commences with the taxpayer,

(D) which is acquired for use or lease by the taxpayer and not for resale, and

(E) which is made by a manufacturer.

(c) New advanced lean burn technology motor vehicle credit

(1) In general

For purposes of subsection (a), the new advanced lean burn technology motor vehicle

credit determined under this subsection for the taxable year is the credit amount determined under paragraph (2) with respect to a new advanced lean burn technology motor vehicle placed in service by the taxpayer during the taxable year.

(2) Credit amount

(A) Fuel economy

(i) In general

The credit amount determined under this paragraph shall be determined in accordance with the following table:

In the case of a vehicle which achieves a fuel economy (expressed as a percentage of the 2002 model year city fuel economy) of—	The credit amount is—
At least 125 percent but less than 150 percent	\$400
At least 150 percent but less than 175 percent	\$800
At least 175 percent but less than 200 percent	\$1,200
At least 200 percent but less than 225 percent	\$1,600
At least 225 percent but less than 250 percent	\$2,000
At least 250 percent	\$2,400.

(ii) 2002 model year city fuel economy

For purposes of clause (i), the 2002 model year city fuel economy with respect to a vehicle shall be determined on a gasoline gallon equivalent basis as determined by the Administrator of the Environmental Protection Agency using the tables provided in subsection (b)(2)(B) with respect to such vehicle.

(B) Conservation credit

The amount determined under subparagraph (A) with respect to a new advanced lean burn technology motor vehicle shall be increased by the conservation credit amount determined in accordance with the following table:

In the case of a vehicle which achieves a lifetime fuel savings (expressed in gallons of gasoline) of—	The conservation credit amount is—
At least 1,200 but less than 1,800	\$250
At least 1,800 but less than 2,400	\$500
At least 2,400 but less than 3,000	\$750
At least 3,000	\$1,000.

(3) New advanced lean burn technology motor vehicle

For purposes of this subsection, the term “new advanced lean burn technology motor vehicle” means a passenger automobile or a light truck—

(A) with an internal combustion engine which—

(i) is designed to operate primarily using more air than is necessary for complete combustion of the fuel,

(ii) incorporates direct injection,

(iii) achieves at least 125 percent of the 2002 model year city fuel economy,

(iv) for 2004 and later model vehicles, has received a certificate that such vehicle meets or exceeds—

(I) in the case of a vehicle having a gross vehicle weight rating of 6,000

pounds or less, the Bin 5 Tier II emission standard established in regulations prescribed by the Administrator of the Environmental Protection Agency under section 202(i) of the Clean Air Act for that make and model year vehicle, and

(II) in the case of a vehicle having a gross vehicle weight rating of more than 6,000 pounds but not more than 8,500 pounds, the Bin 8 Tier II emission standard which is so established,

(B) the original use of which commences with the taxpayer,

(C) which is acquired for use or lease by the taxpayer and not for resale, and

(D) which is made by a manufacturer.

(4) Lifetime fuel savings

For purposes of this subsection, the term “lifetime fuel savings” means, in the case of any new advanced lean burn technology motor vehicle, an amount equal to the excess (if any) of—

(A) 120,000 divided by the 2002 model year city fuel economy for the vehicle inertia weight class, over

(B) 120,000 divided by the city fuel economy for such vehicle.

(d) New qualified hybrid motor vehicle credit

(1) In general

For purposes of subsection (a), the new qualified hybrid motor vehicle credit determined under this subsection for the taxable year is the credit amount determined under paragraph (2) with respect to a new qualified hybrid motor vehicle placed in service by the taxpayer during the taxable year.

(2) Credit amount

(A) Credit amount for passenger automobiles and light trucks

In the case of a new qualified hybrid motor vehicle which is a passenger automobile or light truck and which has a gross vehicle weight rating of not more than 8,500 pounds, the amount determined under this paragraph is the sum of the amounts determined under clauses (i) and (ii).

(i) Fuel economy

The amount determined under this clause is the amount which would be determined under subsection (c)(2)(A) if such vehicle were a vehicle referred to in such subsection.

(ii) Conservation credit

The amount determined under this clause is the amount which would be determined under subsection (c)(2)(B) if such vehicle were a vehicle referred to in such subsection.

(B) Credit amount for other motor vehicles

(i) In general

In the case of any new qualified hybrid motor vehicle to which subparagraph (A) does not apply, the amount determined under this paragraph is the amount equal to the applicable percentage of the qualified incremental hybrid cost of the vehicle as certified under clause (v).

(ii) Applicable percentage

For purposes of clause (i), the applicable percentage is—

(I) 20 percent if the vehicle achieves an increase in city fuel economy relative to a comparable vehicle of at least 30 percent but less than 40 percent,

(II) 30 percent if the vehicle achieves such an increase of at least 40 percent but less than 50 percent, and

(III) 40 percent if the vehicle achieves such an increase of at least 50 percent.

(iii) Qualified incremental hybrid cost

For purposes of this subparagraph, the qualified incremental hybrid cost of any vehicle is equal to the amount of the excess of the manufacturer's suggested retail price for such vehicle over such price for a comparable vehicle, to the extent such amount does not exceed—

(I) \$7,500, if such vehicle has a gross vehicle weight rating of not more than 14,000 pounds,

(II) \$15,000, if such vehicle has a gross vehicle weight rating of more than 14,000 pounds but not more than 26,000 pounds, and

(III) \$30,000, if such vehicle has a gross vehicle weight rating of more than 26,000 pounds.

(iv) Comparable vehicle

For purposes of this subparagraph, the term "comparable vehicle" means, with respect to any new qualified hybrid motor vehicle, any vehicle which is powered solely by a gasoline or diesel internal combustion engine and which is comparable in weight, size, and use to such vehicle.

(v) Certification

A certification described in clause (i) shall be made by the manufacturer and shall be determined in accordance with guidance prescribed by the Secretary. Such guidance shall specify procedures and methods for calculating fuel economy savings and incremental hybrid costs.

(3) New qualified hybrid motor vehicle

For purposes of this subsection—

(A) In general

The term "new qualified hybrid motor vehicle" means a motor vehicle—

(i) which draws propulsion energy from onboard sources of stored energy which are both—

(I) an internal combustion or heat engine using consumable fuel, and

(II) a rechargeable energy storage system,

(ii) which, in the case of a vehicle to which paragraph (2)(A) applies, has received a certificate of conformity under the Clean Air Act and meets or exceeds the equivalent qualifying California low emission vehicle standard under section 243(e)(2) of the Clean Air Act for that make and model year, and

(I) in the case of a vehicle having a gross vehicle weight rating of 6,000

pounds or less, the Bin 5 Tier II emission standard established in regulations prescribed by the Administrator of the Environmental Protection Agency under section 202(i) of the Clean Air Act for that make and model year vehicle, and

(II) in the case of a vehicle having a gross vehicle weight rating of more than 6,000 pounds but not more than 8,500 pounds, the Bin 8 Tier II emission standard which is so established,

(iii) which has a maximum available power of at least—

(I) 4 percent in the case of a vehicle to which paragraph (2)(A) applies,

(II) 10 percent in the case of a vehicle which has a gross vehicle weight rating of more than 8,500 pounds and not more than 14,000 pounds, and

(III) 15 percent in the case of a vehicle in excess of 14,000 pounds,

(iv) which, in the case of a vehicle to which paragraph (2)(B) applies, has an internal combustion or heat engine which has received a certificate of conformity under the Clean Air Act as meeting the emission standards set in the regulations prescribed by the Administrator of the Environmental Protection Agency for 2004 through 2007 model year diesel heavy duty engines or ottocycle heavy duty engines, as applicable,

(v) the original use of which commences with the taxpayer,

(vi) which is acquired for use or lease by the taxpayer and not for resale, and

(vii) which is made by a manufacturer.

Such term shall not include any vehicle which is not a passenger automobile or light truck if such vehicle has a gross vehicle weight rating of less than 8,500 pounds.

(B) Consumable fuel

For purposes of subparagraph (A)(i)(I), the term "consumable fuel" means any solid, liquid, or gaseous matter which releases energy when consumed by an auxiliary power unit.

(C) Maximum available power**(i) Certain passenger automobiles and light trucks**

In the case of a vehicle to which paragraph (2)(A) applies, the term "maximum available power" means the maximum power available from the rechargeable energy storage system, during a standard 10 second pulse power or equivalent test, divided by such maximum power and the SAE net power of the heat engine.

(ii) Other motor vehicles

In the case of a vehicle to which paragraph (2)(B) applies, the term "maximum available power" means the maximum power available from the rechargeable energy storage system, during a standard 10 second pulse power or equivalent test, divided by the vehicle's total traction power. For purposes of the preceding sentence,

the term “total traction power” means the sum of the peak power from the rechargeable energy storage system and the heat engine peak power of the vehicle, except that if such storage system is the sole means by which the vehicle can be driven, the total traction power is the peak power of such storage system.

(D) Exclusion of plug-in vehicles

Any vehicle with respect to which a credit is allowable under section 30D (determined without regard to subsection (c) thereof) shall not be taken into account under this section.

(e) New qualified alternative fuel motor vehicle credit

(1) Allowance of credit

Except as provided in paragraph (5), the new qualified alternative fuel motor vehicle credit determined under this subsection is an amount equal to the applicable percentage of the incremental cost of any new qualified alternative fuel motor vehicle placed in service by the taxpayer during the taxable year.

(2) Applicable percentage

For purposes of paragraph (1), the applicable percentage with respect to any new qualified alternative fuel motor vehicle is—

- (A) 50 percent, plus
- (B) 30 percent, if such vehicle—
 - (i) has received a certificate of conformity under the Clean Air Act and meets or exceeds the most stringent standard available for certification under the Clean Air Act for that make and model year vehicle (other than a zero emission standard), or
 - (ii) has received an order certifying the vehicle as meeting the same requirements as vehicles which may be sold or leased in California and meets or exceeds the most stringent standard available for certification under the State laws of California (enacted in accordance with a waiver granted under section 209(b) of the Clean Air Act) for that make and model year vehicle (other than a zero emission standard).

For purposes of the preceding sentence, in the case of any new qualified alternative fuel motor vehicle which weighs more than 14,000 pounds gross vehicle weight rating, the most stringent standard available shall be such standard available for certification on the date of the enactment of the Energy Tax Incentives Act of 2005.

(3) Incremental cost

For purposes of this subsection, the incremental cost of any new qualified alternative fuel motor vehicle is equal to the amount of the excess of the manufacturer's suggested retail price for such vehicle over such price for a gasoline or diesel fuel motor vehicle of the same model, to the extent such amount does not exceed—

- (A) \$5,000, if such vehicle has a gross vehicle weight rating of not more than 8,500 pounds,

(B) \$10,000, if such vehicle has a gross vehicle weight rating of more than 8,500 pounds but not more than 14,000 pounds,

(C) \$25,000, if such vehicle has a gross vehicle weight rating of more than 14,000 pounds but not more than 26,000 pounds, and

(D) \$40,000, if such vehicle has a gross vehicle weight rating of more than 26,000 pounds.

(4) New qualified alternative fuel motor vehicle

For purposes of this subsection—

(A) In general

The term “new qualified alternative fuel motor vehicle” means any motor vehicle—

- (i) which is only capable of operating on an alternative fuel,
- (ii) the original use of which commences with the taxpayer,
- (iii) which is acquired by the taxpayer for use or lease, but not for resale, and
- (iv) which is made by a manufacturer.

(B) Alternative fuel

The term “alternative fuel” means compressed natural gas, liquefied natural gas, liquefied petroleum gas, hydrogen, and any liquid at least 85 percent of the volume of which consists of methanol.

(5) Credit for mixed-fuel vehicles

(A) In general

In the case of a mixed-fuel vehicle placed in service by the taxpayer during the taxable year, the credit determined under this subsection is an amount equal to—

- (i) in the case of a 75/25 mixed-fuel vehicle, 70 percent of the credit which would have been allowed under this subsection if such vehicle was a qualified alternative fuel motor vehicle, and
- (ii) in the case of a 90/10 mixed-fuel vehicle, 90 percent of the credit which would have been allowed under this subsection if such vehicle was a qualified alternative fuel motor vehicle.

(B) Mixed-fuel vehicle

For purposes of this subsection, the term “mixed-fuel vehicle” means any motor vehicle described in subparagraph (C) or (D) of paragraph (3), which—

- (i) is certified by the manufacturer as being able to perform efficiently in normal operation on a combination of an alternative fuel and a petroleum-based fuel,
- (ii) either—
 - (I) has received a certificate of conformity under the Clean Air Act, or
 - (II) has received an order certifying the vehicle as meeting the same requirements as vehicles which may be sold or leased in California and meets or exceeds the low emission vehicle standard under section 88.105–94 of title 40, Code of Federal Regulations, for that make and model year vehicle,
 - (iii) the original use of which commences with the taxpayer,
 - (iv) which is acquired by the taxpayer for use or lease, but not for resale, and

(v) which is made by a manufacturer.

(C) 75/25 mixed-fuel vehicle

For purposes of this subsection, the term “75/25 mixed-fuel vehicle” means a mixed-fuel vehicle which operates using at least 75 percent alternative fuel and not more than 25 percent petroleum-based fuel.

(D) 90/10 mixed-fuel vehicle

For purposes of this subsection, the term “90/10 mixed-fuel vehicle” means a mixed-fuel vehicle which operates using at least 90 percent alternative fuel and not more than 10 percent petroleum-based fuel.

(f) Limitation on number of new qualified hybrid and advanced lean-burn technology vehicles eligible for credit

(1) In general

In the case of a qualified vehicle sold during the phaseout period, only the applicable percentage of the credit otherwise allowable under subsection (c) or (d) shall be allowed.

(2) Phaseout period

For purposes of this subsection, the phaseout period is the period beginning with the second calendar quarter following the calendar quarter which includes the first date on which the number of qualified vehicles manufactured by the manufacturer of the vehicle referred to in paragraph (1) sold for use in the United States after December 31, 2005, is at least 60,000.

(3) Applicable percentage

For purposes of paragraph (1), the applicable percentage is—

- (A) 50 percent for the first 2 calendar quarters of the phaseout period,
- (B) 25 percent for the 3d and 4th calendar quarters of the phaseout period, and
- (C) 0 percent for each calendar quarter thereafter.

(4) Controlled groups

(A) In general

For purposes of this subsection, all persons treated as a single employer under subsection (a) or (b) of section 52 or subsection (m) or (o) of section 414 shall be treated as a single manufacturer.

(B) Inclusion of foreign corporations

For purposes of subparagraph (A), in applying subsections (a) and (b) of section 52 to this section, section 1563 shall be applied without regard to subsection (b)(2)(C) thereof.

(5) Qualified vehicle

For purposes of this subsection, the term “qualified vehicle” means any new qualified hybrid motor vehicle (described in subsection (d)(2)(A)) and any new advanced lean burn technology motor vehicle.

(g) Application with other credits

(1) Business credit treated as part of general business credit

So much of the credit which would be allowed under subsection (a) for any taxable

year (determined without regard to this subsection) that is attributable to property of a character subject to an allowance for depreciation shall be treated as a credit listed in section 38(b) for such taxable year (and not allowed under subsection (a)).

(2) Personal credit

For purposes of this title, the credit allowed under subsection (a) for any taxable year (determined after application of paragraph (1)) shall be treated as a credit allowable under subpart A for such taxable year.

(h) Other definitions and special rules

For purposes of this section—

(1) Motor vehicle

The term “motor vehicle” means any vehicle which is manufactured primarily for use on public streets, roads, and highways (not including a vehicle operated exclusively on a rail or rails) and which has at least 4 wheels.

(2) City fuel economy

The city fuel economy with respect to any vehicle shall be measured in a manner which is substantially similar to the manner city fuel economy is measured in accordance with procedures under part 600 of subchapter Q of chapter I of title 40, Code of Federal Regulations, as in effect on the date of the enactment of this section.

(3) Other terms

The terms “automobile”, “passenger automobile”, “medium duty passenger vehicle”, “light truck”, and “manufacturer” have the meanings given such terms in regulations prescribed by the Administrator of the Environmental Protection Agency for purposes of the administration of title II of the Clean Air Act (42 U.S.C. 7521 et seq.).

(4) Reduction in basis

For purposes of this subtitle, the basis of any property for which a credit is allowable under subsection (a) shall be reduced by the amount of such credit so allowed (determined without regard to subsection (g)).

(5) No double benefit

The amount of any deduction or other credit allowable under this chapter—

(A) for any incremental cost taken into account in computing the amount of the credit determined under subsection (e) shall be reduced by the amount of such credit attributable to such cost, and

(B) with respect to a vehicle described under subsection (b) or (c), shall be reduced by the amount of credit allowed under subsection (a) for such vehicle for the taxable year (determined without regard to subsection (g)).

(6) Property used by tax-exempt entity

In the case of a vehicle whose use is described in paragraph (3) or (4) of section 50(b) and which is not subject to a lease, the person who sold such vehicle to the person or entity using such vehicle shall be treated as the taxpayer that placed such vehicle in service, but only if such person clearly discloses to such

person or entity in a document the amount of any credit allowable under subsection (a) with respect to such vehicle (determined without regard to subsection (g)). For purposes of subsection (g), property to which this paragraph applies shall be treated as of a character subject to an allowance for depreciation.

(7) Property used outside United States, etc., not qualified

No credit shall be allowable under subsection (a) with respect to any property referred to in section 50(b)(1) or with respect to the portion of the cost of any property taken into account under section 179.

(8) Recapture

The Secretary shall, by regulations, provide for recapturing the benefit of any credit allowable under subsection (a) with respect to any property which ceases to be property eligible for such credit (including recapture in the case of a lease period of less than the economic life of a vehicle).

(9) Election to not take credit

No credit shall be allowed under subsection (a) for any vehicle if the taxpayer elects to not have this section apply to such vehicle.

(10) Interaction with air quality and motor vehicle safety standards

Unless otherwise provided in this section, a motor vehicle shall not be considered eligible for a credit under this section unless such vehicle is in compliance with—

(A) the applicable provisions of the Clean Air Act for the applicable make and model year of the vehicle (or applicable air quality provisions of State law in the case of a State which has adopted such provision under a waiver under section 209(b) of the Clean Air Act), and

(B) the motor vehicle safety provisions of sections 30101 through 30169 of title 49, United States Code.

[i] Repealed. Pub. L. 117-169, title I, § 13401(i)(2)(B), Aug. 16, 2022, 136 Stat. 1961]

(j) Regulations

(1) In general

Except as provided in paragraph (2), the Secretary shall promulgate such regulations as necessary to carry out the provisions of this section.

(2) Coordination in prescription of certain regulations

The Secretary of the Treasury, in coordination with the Secretary of Transportation and the Administrator of the Environmental Protection Agency, shall prescribe such regulations as necessary to determine whether a motor vehicle meets the requirements to be eligible for a credit under this section.

(k) Termination

This section shall not apply to any property purchased after—

(1) in the case of a new qualified fuel cell motor vehicle (as described in subsection (b)), December 31, 2021,

(2) in the case of a new advanced lean burn technology motor vehicle (as described in subsection (c)) or a new qualified hybrid motor vehicle (as described in subsection (d)(2)(A)), December 31, 2010,

(3) in the case of a new qualified hybrid motor vehicle (as described in subsection (d)(2)(B)), December 31, 2009, and

(4) in the case of a new qualified alternative fuel vehicle (as described in subsection (e)), December 31, 2010.

(Added Pub. L. 109-58, title XIII, § 1341(a), Aug. 8, 2005, 119 Stat. 1038; amended Pub. L. 109-135, title IV, §§ 402(j), 412(d), Dec. 21, 2005, 119 Stat. 2615, 2636; Pub. L. 110-343, div. B, title II, § 205(b), Oct. 3, 2008, 122 Stat. 3838; Pub. L. 111-5, div. B, title I, §§ 1141(b)(1), 1142(b)(2), 1143(a)-(c), 1144(a), Feb. 17, 2009, 123 Stat. 328, 330-332; Pub. L. 111-148, title X, § 10909(b)(2)(G), (c), Mar. 23, 2010, 124 Stat. 1023; Pub. L. 111-312, title I, § 101(b)(1), Dec. 17, 2010, 124 Stat. 3298; Pub. L. 112-240, title I, § 104(c)(2)(H), Jan. 2, 2013, 126 Stat. 2322; Pub. L. 113-295, div. A, title II, §§ 218(a), 220(a), Dec. 19, 2014, 128 Stat. 4035; Pub. L. 114-113, div. Q, title I, § 193(a), Dec. 18, 2015, 129 Stat. 3075; Pub. L. 115-123, div. D, title I, § 40403(a), Feb. 9, 2018, 132 Stat. 148; Pub. L. 116-94, div. Q, title I, § 124(a), Dec. 20, 2019, 133 Stat. 3231; Pub. L. 116-260, div. EE, title I, § 142(a), Dec. 27, 2020, 134 Stat. 3054; Pub. L. 117-169, title I, § 13401(i)(2), Aug. 16, 2022, 136 Stat. 1961.)

Editorial Notes

REFERENCES IN TEXT

The Clean Air Act, referred to in text, is act July 14, 1955, ch. 360, 69 Stat. 322, which is classified generally to chapter 85 (§ 7401 et seq.) of Title 42, The Public Health and Welfare. Title II of the Act, known as the National Emissions Standards Act, is classified generally to subchapter II (§ 7521 et seq.) of chapter 85 of Title 42. Sections 202(i), 209(b), and 243(e)(2) of the Act are classified to sections 7521(i), 7543(b), and 7583(e)(2), respectively, of Title 42. For complete classification of this Act to the Code, see Short Title note set out under section 7401 of Title 42 and Tables.

The date of the enactment of this section, referred to in subsecs. (b)(3)(B) and (h)(2), is the date of enactment of Pub. L. 109-58, which was approved Aug. 8, 2005.

The date of the enactment of the Energy Tax Incentives Act of 2005, referred to in subsec. (e)(2), is the date of enactment of title XIII of Pub. L. 109-58, which was approved Aug. 8, 2005.

AMENDMENTS

2022—Subsec. (h)(8). Pub. L. 117-169, § 13401(i)(2)(A), struck out “, except that no benefit shall be recaptured if such property ceases to be eligible for such credit by reason of conversion to a qualified plug-in electric drive motor vehicle” before period at end.

Subsec. (i). Pub. L. 117-169, § 13401(i)(2)(B), struck out subsec. (i) which related to plug-in conversion credit.

2020—Subsec. (k)(1). Pub. L. 116-260 substituted “December 31, 2021” for “December 31, 2020”.

2019—Subsec. (k)(1). Pub. L. 116-94 substituted “December 31, 2020” for “December 31, 2017”.

2018—Subsec. (k)(1). Pub. L. 115-123 substituted “December 31, 2017” for “December 31, 2016”.

2015—Subsec. (k)(1). Pub. L. 114-113 substituted “December 31, 2016” for “December 31, 2014”.

2014—Subsec. (h)(5)(B). Pub. L. 113-295, § 218(a), inserted “(determined without regard to subsection (g))” before period at end.

Subsec. (h)(8). Pub. L. 113-295, § 220(a), substituted “vehicle), except that” for “vehicle), except that”.

2013—Subsec. (g)(2). Pub. L. 112–240 amended par. (2) generally. Prior to amendment, par. (2) related to personal credit with a limitation based on amount of tax. 2010—Subsec. (g)(2)(B)(ii). Pub. L. 111–148, § 10909(b)(2)(G), (c), as amended by Pub. L. 111–312, temporarily struck out “23,” before “25D.”. See Effective and Termination Dates of 2010 Amendment note below.

2009—Subsec. (a)(5). Pub. L. 111–5, § 1143(b), added par. (5).

Subsec. (d)(3)(D). Pub. L. 111–5, § 1141(b)(1), substituted “subsection (c) thereof” for “subsection (d) thereof”.

Subsec. (g)(2). Pub. L. 111–5, § 1144(a), amended par. (2) generally. Prior to amendment, text read as follows: “The credit allowed under subsection (a) (after the application of paragraph (1)) for any taxable year shall not exceed the excess (if any) of—

“(A) the regular tax liability (as defined in section 26(b)) reduced by the sum of the credits allowable under subpart A and sections 27 and 30, over

“(B) the tentative minimum tax for the taxable year.”

Subsec. (h)(1). Pub. L. 111–5, § 1142(b)(2), amended par. (1) generally. Prior to amendment, text read as follows: “The term ‘motor vehicle’ has the meaning given such term by section 30(c)(2).”

Subsec. (h)(8). Pub. L. 111–5, § 1143(c), inserted at end “, except that no benefit shall be recaptured if such property ceases to be eligible for such credit by reason of conversion to a qualified plug-in electric drive motor vehicle.”

Subsecs. (i) to (k). Pub. L. 111–5, § 1143(a), added subsec. (i) and redesignated former subsecs. (i) and (j) as (j) and (k), respectively.

2008—Subsec. (d)(3)(D). Pub. L. 110–343 added subparagraph (D).

2005—Subsec. (g)(2)(A). Pub. L. 109–135, § 412(d), substituted “regular tax liability (as defined in section 26(b))” for “regular tax”.

Subsec. (h)(6). Pub. L. 109–135, § 402(j), inserted at end “For purposes of subsection (g), property to which this paragraph applies shall be treated as of a character subject to an allowance for depreciation.”

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 2022 AMENDMENT

Amendment by Pub. L. 117–169 applicable to vehicles placed in service after Dec. 31, 2022, see section 13401(k)(1) of Pub. L. 117–169, set out in an Effective Date of 2022 Amendment; Transition Rule note under section 30D of this title.

EFFECTIVE DATE OF 2020 AMENDMENT

Pub. L. 116–260, div. EE, title I, § 142(b), Dec. 27, 2020, 134 Stat. 3054, provided that: “The amendment made by this section [amending this section] shall apply to property purchased after December 31, 2020.”

EFFECTIVE DATE OF 2019 AMENDMENT

Pub. L. 116–94, div. Q, title I, § 124(b), Dec. 20, 2019, 133 Stat. 3231, provided that: “The amendment made by this section [amending this section] shall apply to property purchased after December 31, 2017.”

EFFECTIVE DATE OF 2018 AMENDMENT

Pub. L. 115–123, div. D, title I, § 40403(b), Feb. 9, 2018, 132 Stat. 148, provided that: “The amendment made by this section [amending this section] shall apply to property purchased after December 31, 2016.”

EFFECTIVE DATE OF 2015 AMENDMENT

Pub. L. 114–113, div. Q, title I, § 193(b), Dec. 18, 2015, 129 Stat. 3076, provided that: “The amendment made by this section [amending this section] shall apply to property purchased after December 31, 2014.”

EFFECTIVE DATE OF 2014 AMENDMENT

Pub. L. 113–295, div. A, title II, § 218(c), Dec. 19, 2014, 128 Stat. 4035, provided that: “The amendments made

by this section [amending this section and section 30C of this title] shall take effect as if included in the provision of the Energy Tax Incentives Act of 2005 [Pub. L. 109–58, title XIII] to which it relates.”

EFFECTIVE DATE OF 2013 AMENDMENT

Amendment by Pub. L. 112–240 applicable to taxable years beginning after Dec. 31, 2011, see section 104(d) of Pub. L. 112–240, set out as a note under section 23 of this title.

EFFECTIVE AND TERMINATION DATES OF 2010 AMENDMENT

Amendment by Pub. L. 111–148 terminated applicable to taxable years beginning after Dec. 31, 2011, and section is amended to read as if such amendment had never been enacted, see section 10909(c) of Pub. L. 111–148, set out as a note under section 1 of this title.

Amendment by Pub. L. 111–148 applicable to taxable years beginning after Dec. 31, 2009, see section 10909(d) of Pub. L. 111–148, set out as a note under section 1 of this title.

EFFECTIVE DATE OF 2009 AMENDMENT

Pub. L. 111–5, div. B, title I, § 1141(c), Feb. 17, 2009, 123 Stat. 328, provided that: “The amendments made by this section [amending this section and sections 30D, 38, 1016, and 6501 of this title] shall apply to vehicles acquired after December 31, 2009.”

Amendment by section 1142(b)(2) of Pub. L. 111–5 applicable to vehicles acquired after Feb. 17, 2009, see section 1142(c) of Pub. L. 111–5, set out as an Effective and Termination Dates of 2009 Amendment note under section 24 of this title.

Pub. L. 111–5, div. B, title I, § 1143(d), Feb. 17, 2009, 123 Stat. 332, provided that: “The amendments made by this section [amending this section] shall apply to property placed in service after the date of the enactment of this Act [Feb. 17, 2009].”

Amendment by section 1144(a) of Pub. L. 111–5 applicable to taxable years beginning after Dec. 31, 2008, see section 1144(c) of Pub. L. 111–5, set out as an Effective and Termination Dates of 2009 Amendment note under section 24 of this title.

EFFECTIVE DATE OF 2008 AMENDMENT

Amendment by Pub. L. 110–343 applicable to taxable years beginning after Dec. 31, 2008, see section 205(e) of Pub. L. 110–343, set out as an Effective and Termination Dates of 2008 Amendment note under section 24 of this title.

EFFECTIVE DATE OF 2005 AMENDMENT

Amendment by section 402(j) of Pub. L. 109–135 effective as if included in the provision of the Energy Policy Act of 2005, Pub. L. 109–58, to which such amendment relates, see section 402(m)(1) of Pub. L. 109–135, set out as an Effective and Termination Dates of 2005 Amendments note under section 23 of this title.

EFFECTIVE DATE

Pub. L. 109–58, title XIII, § 1341(c), Aug. 8, 2005, 119 Stat. 1049, provided that: “The amendments made by this section [enacting this section and amending sections 38, 55, 1016, and 6501 of this title] shall apply to property placed in service after December 31, 2005, in taxable years ending after such date.”

§ 30C. Alternative fuel vehicle refueling property credit

(a) Credit allowed

There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 30 percent (6 percent in the case of property of a character subject to depreciation) of the cost of any qualified alternative