

108TH CONGRESS
1ST SESSION

H. R. 2865

To amend the Internal Revenue Code of 1986 to provide a credit for qualified clean-fuel vehicles which are used in certain ozone nonattainment areas.

IN THE HOUSE OF REPRESENTATIVES

JULY 24, 2003

Mr. CARDOZA (for himself, Mr. DOOLEY of California, and Mr. RADANOVICH) 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 provide a credit for qualified clean-fuel vehicles which are used in certain ozone nonattainment areas.

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.**

4 This Act may be cited as the “Clean Air Incentive
5 Act of 2003”.

6 **SEC. 2. CREDIT FOR QUALIFIED OZONE ATTAINMENT VEHI-**
7 **CLE PROPERTY.**

8 (a) IN GENERAL.—Subpart B of part IV of sub-
9 chapter A of chapter 1 of the Internal Revenue Code of

1 1986 (relating to other credits) is amended by adding at
2 the end the following new section:

3 **“SEC. 30B. CREDIT FOR QUALIFIED OZONE ATTAINMENT**
4 **VEHICLE PROPERTY.**

5 “(a) IN GENERAL.—Under regulations prescribed by
6 the Secretary, there shall be allowed as a credit against
7 the tax imposed by this chapter for the taxable year an
8 amount equal to the cost of any qualified ozone attainment
9 vehicle property placed in service by the taxpayer during
10 the taxable year.

11 “(b) LIMITATION.—The cost which may be taken into
12 account under subsection (a) with respect to any vehicle
13 is—

14 “(1) in the case of any vehicle not described in
15 paragraph (2)—

16 “(A) \$2,750 if credit is allowed by reason
17 of subsection (d)(1),

18 “(B) \$3,500 if credit is allowed by reason
19 of subsection (d)(2), and

20 “(C) \$4,000 if credit is allowed by reason
21 of subsection (d)(3),

22 “(2) in the case of any truck or van with a
23 gross vehicle weight rating greater than 10,000
24 pounds—

1 “(A) \$7,000 if credit is allowed by reason
2 of subsection (d)(1),

3 “(B) \$8,500 if credit is allowed by reason
4 of subsection (d)(2),

5 “(C) \$10,000 if credit is allowed by reason
6 of subsection (d)(3).

7 “(c) APPLICATION WITH OTHER CREDITS.—The
8 credit allowed by subsection (a) for any taxable year shall
9 not exceed the excess (if any) of—

10 “(1) the regular tax for the taxable year re-
11 duced by the sum of the credits allowable under sub-
12 part A and sections 27, 29, and 30, over

13 “(2) the tentative minimum tax for the taxable
14 year.

15 “(d) QUALIFIED OZONE ATTAINMENT VEHICLE
16 PROPERTY.—For purposes of this section, the term ‘quali-
17 fied ozone attainment vehicle property’ means any quali-
18 fied clean-fuel vehicle property (as defined in section
19 179A(c)) if substantially all of the use of such property
20 is in an area designated by the Administrator of the Envi-
21 ronmental Protection Agency as—

22 “(1) a serious ozone nonattainment area,

23 “(2) a severe ozone nonattainment area, or

24 “(3) an extreme ozone nonattainment area.

25 “(e) SPECIAL RULES.—

1 “(1) BASIS REDUCTION.—The basis of any
2 property for which a credit is allowable under sub-
3 section (a) shall be reduced by the amount of such
4 credit (determined without regard to subsection (c)).

5 “(2) RECAPTURE.—The Secretary shall, by reg-
6 ulations, provide for recapturing the benefit of any
7 credit allowable under subsection (a) with respect to
8 any property which ceases to be property eligible for
9 such credit.

10 “(3) PROPERTY USED OUTSIDE UNITED
11 STATES, ETC., NOT QUALIFIED.—No credit shall be
12 allowed under subsection (a) with respect to any
13 property referred to in section 50(b) or with respect
14 to the portion of the cost of any property taken into
15 account under section 179.

16 “(4) ELECTION TO NOT TAKE CREDIT.—No
17 credit shall be allowed under subsection (a) for any
18 vehicle if the taxpayer elects to not have this section
19 apply to such vehicle.”.

20 (b) COORDINATION WITH DEDUCTION FOR CLEAN-
21 FUEL VEHICLES.—Subsection (b) of section 179A of such
22 Code (relating to limitations) is amended by adding at the
23 end the following new paragraph:

24 “(3) COORDINATION WITH CREDIT FOR QUALI-
25 FIED OZONE ATTAINMENT VEHICLE PROPERTY.—

1 The cost which may be taken into account under
2 subsection (a)(1)(A) with respect to any motor vehi-
3 cle shall not exceed the excess (if any) of—

4 “(A) the cost which would be so taken into
5 account without regard to this paragraph, over

6 “(B) any credit allowed with respect to
7 such vehicle under section 30B.”.

8 (c) CONFORMING AMENDMENTS.—

9 (1) The table of sections for subpart B of part
10 IV of subchapter A of chapter 1 of such Code is
11 amended by adding at the end the following new
12 item:

“Sec. 30B. Credit for qualified ozone attainment vehicle prop-
erty.”.

13 (2) Section 1016(a) of such Code is amended
14 by striking “and” at the end of paragraph (27), by
15 striking the period at the end of paragraph (28) and
16 inserting “, and”, and by adding at the end the fol-
17 lowing new paragraph:

18 “(29) to the extent provided in section
19 30B(e)(1).”.

20 (3) Section 53(d)(1)(B)(iii) of such Code is
21 amended to read as follows:

22 “(iii) SPECIAL RULE.—The adjusted
23 net minimum tax for the taxable year shall
24 be increased by the sum of—

1 “(I) the amount of the credit not
2 allowed under section 29 (relating to
3 credit for producing fuel from a non-
4 conventional source) solely by reason
5 of the application of section
6 29(b)(6)(B),

7 “(II) the amount of the credit
8 not allowed under section 30 solely by
9 reason of the application of section
10 30(b)(3)(B), and

11 “(III) the amount of the credit
12 not allowed under section 30B solely
13 by reason of the application of section
14 30B(c)(2).”.

15 (4) Section 55(c)(2) of such Code is amended
16 by inserting “30B(c),” after “30(b)(3),”.

17 (d) EFFECTIVE DATE.—The amendments made by
18 this section shall apply to property placed in service after
19 December 31, 2003.

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