

109<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 5973

To amend the Internal Revenue Code of 1986 to allow a credit for the installation of hydrogen fueling stations, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 28, 2006

Mr. DENT (for himself, Mr. WYNN, Mr. INGLIS of South Carolina, and Mr. LARSON of Connecticut) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to allow a credit for the installation of hydrogen fueling stations, 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.**

4 This Act may be cited as the “Hydrogen Transpor-  
5 tation Wins Over Growing Reliance on Oil (H2 GROW)  
6 Act”.

1 **SEC. 2. CREDIT FOR INSTALLATION OF HYDROGEN FUEL-**  
2 **ING STATIONS.**

3 (a) IN GENERAL.—Subpart B of part IV of sub-  
4 chapter A of chapter 1 of the Internal Revenue Code of  
5 1986 (relating to foreign tax credit, etc.) is amended by  
6 adding at the end the following new section:

7 **“SEC. 30D. HYDROGEN-POWERED VEHICLE REFUELING**  
8 **PROPERTY CREDIT.**

9 “(a) CREDIT ALLOWED.—There shall be allowed as  
10 a credit against the tax imposed by this chapter for the  
11 taxable year an amount equal to 50 percent of the amount  
12 paid or incurred by the taxpayer during the taxable year  
13 for qualified hydrogen-powered vehicle refueling property  
14 and the installation thereof.

15 “(b) YEAR CREDIT ALLOWED.—The credit allowed  
16 under subsection (a) shall be allowed in the taxable year  
17 in which the qualified hydrogen-powered vehicle refueling  
18 property is placed in service by the taxpayer.

19 “(c) DEFINITION OF QUALIFIED HYDROGEN-POW-  
20 ERED VEHICLE REFUELING PROPERTY.—The term  
21 ‘qualified hydrogen-powered vehicle refueling property’  
22 means any property (not including a building and its  
23 structural components) if—

24 “(1) such property is of a character subject to  
25 the allowance for depreciation,

1           “(2) the original use of such property begins  
2 with the taxpayer,

3           “(3) such property is for the production, stor-  
4 age or dispensing of hydrogen fuel into the fuel tank  
5 of a motor vehicle propelled by such fuel, and

6           “(4) such property is located at a facility of the  
7 taxpayer from which the taxpayer sells such fuel for  
8 dispensing into fuel tanks of motor vehicles of the  
9 general public.

10          “(d) APPLICATION WITH OTHER CREDITS.—The  
11 credit allowed under subsection (a) for any taxable year  
12 shall not exceed the excess (if any) of—

13           “(1) the regular tax for the taxable year re-  
14 duced by the sum of the credits allowable under sub-  
15 part A and sections 27, 29, 30, 30B, and 30C, over

16           “(2) the tentative minimum tax for the taxable  
17 year.

18          “(e) BASIS REDUCTION.—For purposes of this title,  
19 the basis of any property shall be reduced by the portion  
20 of the cost of such property taken into account under sub-  
21 section (a).

22          “(f) NO DOUBLE BENEFIT.—No deduction shall be  
23 allowed under section 179A with respect to any property  
24 with respect to which a credit is allowed under subsection  
25 (a).

1 “(g) CARRYFORWARD ALLOWED.—

2 “(1) IN GENERAL.—If the credit amount allow-  
3 able under subsection (a) for a taxable year exceeds  
4 the amount of the limitation under subsection (d)  
5 for such taxable year (referred to as the ‘unused  
6 credit year’ in this subsection), such excess shall be  
7 allowed as a credit carryforward for each of the 20  
8 taxable years following the unused credit year.

9 “(2) RULES.—Rules similar to the rules of sec-  
10 tion 39 shall apply with respect to the credit  
11 carryforward under paragraph (1).

12 “(h) SPECIAL RULES.—Rules similar to the rules of  
13 paragraphs (4) and (5) of section 179A(e) shall apply.

14 “(i) REGULATIONS.—The Secretary shall prescribe  
15 such regulations as necessary to carry out the provisions  
16 of this section.

17 “(j) TERMINATION.—This section shall not apply to  
18 any property placed in service after December 31, 2013.”.

19 (b) CONFORMING AMENDMENTS.—

20 (1) Section 1016(a) of such Code is amended  
21 by striking “and” at the end of paragraph (36), by  
22 striking the period at the end of paragraph (37) and  
23 inserting “, and”, and by adding at the end the fol-  
24 lowing new paragraph:

1           “(38) to the extent provided in section  
2           30D(e).”.

3           (2) Section 55(c)(2) of such Code is amended  
4           by inserting “30D(d),” after “30C(d)(2),”.

5           (3) The table of sections for subpart B of part  
6           IV of subchapter A of chapter 1 of such Code is  
7           amended by inserting after the item relating to sec-  
8           tion 30C the following new item:

          “Sec. 30D. Hydrogen-powered vehicle refueling property credit.”.

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

13       **SEC. 3. EXCLUSION OF EARNINGS FROM HYDROGEN FUEL**  
14                               **SALES.**

15          (a) IN GENERAL.—Part III of subchapter B of chap-  
16          ter 1 of the Internal Revenue Code of 1986 (relating to  
17          items specifically excluded from gross income) is amended  
18          by inserting after section 136 the following new section:

19       **“SEC. 136A. INCOME FROM HYDROGEN FUEL SALES.**

20               “(a) EXCLUSION.—Gross income shall not include in-  
21          come attributable to the sale of hydrogen fuel sold at retail  
22          for use in a hydrogen vehicle.

23               “(b) DEFINITION OF HYDROGEN VEHICLE.—For  
24          purposes of this section, the term ‘hydrogen vehicle’ means

1 a motor vehicle (as defined in section 30(c)(2)) which is  
2 propelled—

3           “(1) by power derived from 1 or more cells  
4           which convert chemical energy directly into elec-  
5           tricity by combining oxygen with hydrogen fuel  
6           which is stored on board the vehicle in any form and  
7           may or may not require reformation prior to use, or  
8           “(2) by an internal combustion engine that is  
9           fueled by hydrogen.

10          “(c) TERMINATION.—This section shall not apply to  
11 income attributable to sales after December 31, 2014.”.

12          (b) CONFORMING AMENDMENT.—The table of sec-  
13 tions for subpart B of part III of subchapter B of chapter  
14 1 of such Code is amended by inserting after the item  
15 relating to section 136 the following new item:

“Sec. 136A. Income from hydrogen fuel sales”.

16          (c) EFFECTIVE DATE.—The amendments made by  
17 this section shall apply to income received after December  
18 31, 2004, in taxable years ending after such date.

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