

110TH CONGRESS
1ST SESSION

H. R. 2557

To amend the Internal Revenue Code of 1986 to increase and extend the alternative motor vehicle credit for certain flexible fuel hybrid vehicles.

IN THE HOUSE OF REPRESENTATIVES

JUNE 5, 2007

Mr. WELLER of Illinois 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 increase and extend the alternative motor vehicle credit for certain flexible fuel hybrid vehicles.

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. INCREASE AND EXTENSION OF CREDIT FOR**
4 **CERTAIN FLEXIBLE FUEL HYBRID VEHICLES.**

5 (a) IN GENERAL.—Subsection (a) of section 30B of
6 the Internal Revenue Code of 1986 is amended by striking
7 “and” at the end of paragraph (3), by striking paragraph
8 (4), and by inserting after paragraph (3) the following new
9 paragraphs:

1 “(4) the new flexible fuel hybrid motor vehicle
2 credit determined under subsection (e), and

3 “(5) the new qualified alternative fuel motor ve-
4 hicle credit determined under subsection (f).”.

5 (b) NEW FLEXIBLE FUEL HYBRID MOTOR VEHICLE
6 CREDIT.—Section 30B of such Code is amended by redess-
7 ignating subsections (e) through (j) as subsections (f)
8 through (k), respectively, and by inserting after subsection
9 (d) the following new subsection:

10 “(e) NEW FLEXIBLE FUEL HYBRID MOTOR VEHI-
11 CLE CREDIT.—

12 “(1) IN GENERAL.—For purposes of subsection
13 (a), the new flexible fuel hybrid motor vehicle credit
14 determined under this subsection for the taxable
15 year is the credit amount determined under para-
16 graph (2) with respect to a new hybrid flexible fuel
17 motor vehicle placed in service by the taxpayer dur-
18 ing the taxable year.

19 “(2) CREDIT AMOUNT.—

20 “(A) IN GENERAL.—The credit amount de-
21 termined under this paragraph shall be deter-
22 mined in accordance with the following table:

“In the case of a vehicle the city fuel economy of which (expressed as a percentage of the city fuel economy of the comparable vehicle referred to in paragraph (3)(B)) is—	The credit amount is—
At least 125 percent but less than 150 per- cent.	\$1,500

At least 150 percent but less than 175 per- cent.	\$2,000
At least 175 percent but less than 200 per- cent.	\$2,500
At least 200 percent but less than 225 per- cent.	\$3,000
At least 225 percent	\$3,500.

1 “(B) FUEL ECONOMY.—For purposes of
2 subparagraph (A), the city fuel economy of the
3 vehicle for which the credit is being determined
4 shall be determined on a E-85 ethanol gallon
5 equivalent basis (as determined by the Adminis-
6 trator of the Environmental Protection Agen-
7 cy), and the city fuel economy of the com-
8 parable vehicle referred to in paragraph (3)(B)
9 shall be determined on a gasoline gallon equiva-
10 lent basis (as so determined).

11 “(3) NEW FLEXIBLE FUEL HYBRID MOTOR VE-
12 HICLE.—For purposes of this subsection, the term
13 ‘new flexible fuel hybrid motor vehicle’ means a new
14 qualified hybrid motor vehicle—

15 “(A) which is capable of operating on an
16 alternative fuel, on gasoline, and on any blend
17 thereof, and

18 “(B) which is certified by the Adminis-
19 trator of the Environmental Protection Agency,
20 in consultation with the manufacturer, to have
21 achieved a city fuel economy using E-85 eth-
22 anol which is at least 125 percent of the city

1 fuel economy of a comparable vehicle that is a
2 nonhybrid internal combustion vehicle fueled by
3 gasoline.

4 “(4) COORDINATION WITH NEW QUALIFIED HY-
5 BRID MOTOR VEHICLE CREDIT.—Subsection (d) shall
6 not apply to any motor vehicle for which credit is al-
7 lowed under this subsection.

8 “(5) LIMITATION ON NUMBER OF ELIGIBLE VE-
9 HICLES.—

10 “(A) IN GENERAL.—In the case of a new
11 flexible fuel hybrid motor vehicle sold during
12 the phaseout period, only the applicable per-
13 centage of the credit otherwise allowable by rea-
14 son of paragraph (1) shall be allowed.

15 “(B) PHASEOUT PERIOD.—For purposes
16 of this paragraph, the phaseout period is the
17 period beginning with the second calendar quar-
18 ter following the calendar quarter which in-
19 cludes the first date on which the number of
20 new flexible fuel hybrid motor vehicles manufac-
21 tured by the manufacturer of the vehicles re-
22 ferred to in subparagraph (A) sold for use in
23 the United States after December 31, 2011, is
24 at least 60,000.

1 “(C) APPLICABLE PERCENTAGE.—For
2 purposes of subparagraph (A), the applicable
3 percentage is—

4 “(i) 50 percent for the first 2 cal-
5 endar quarters of the phaseout period,

6 “(ii) 25 percent for the 3d and 4th
7 calendar quarters of the phaseout period,
8 and

9 “(iii) 0 percent for each calendar
10 quarter thereafter.

11 “(D) CONTROLLED GROUPS.—For pur-
12 poses of this subsection, rules similar to the
13 rules of subsection (g)(4) shall apply.”.

14 (c) EXTENSION OF TERMINATION.—Subsection (k)
15 of section 30B of such Code, as redesignated by this sec-
16 tion, is amended by striking “and” at the end of para-
17 graph (3), by redesignating paragraph (4) as paragraph
18 (5), and by inserting after paragraph (3) the following new
19 paragraph:

20 “(4) in the case of a new flexible fuel hybrid
21 motor vehicle (as described in subsection (e)), De-
22 cember 31, 2016, and”.

23 (d) CONFORMING AMENDMENTS.—

24 (1) Subparagraph (A) of section 30B(i)(5) of
25 such Code, as redesignated by this section, is

1 amended by striking “subsection (e)” and inserting
2 “subsection (f)”.

3 (2) Paragraph (6) of section 30B(i) of such
4 Code, as redesignated by this section, is amended by
5 striking “subsection (g)” and inserting “subsection
6 (h)”.

7 (3) Subsection (k) of section 30(B) of such
8 Code, as redesignated by this section, is amended—

9 (A) in paragraph (2), by inserting “other
10 than a new flexible fuel hybrid motor vehicle de-
11 scribed in subsection (e)” after “a new qualified
12 hybrid motor vehicle (as described in subsection
13 (d)(2)(A))”,

14 (B) in paragraph (3), by inserting “other
15 than a new flexible fuel hybrid motor vehicle de-
16 scribed in subsection (e)” after “a new qualified
17 hybrid motor vehicle (as described in subsection
18 (d)(2)(B))”, and

19 (C) in paragraph (5), as redesignated by
20 this section, by striking “subsection (e)” and
21 inserting “subsection (f)”.

22 (4) Subsection (b) of section 38 of such Code
23 is amended by striking “section 30B(g)(1)” and in-
24 serting “section 30B(h)(1)”.

1 (5) Paragraph (36) of section 1016(a) of such
2 Code is amended by striking “section 30B(h)(4)”
3 and inserting “section 30B(i)(4)”.

4 (e) EFFECTIVE DATE.—The amendments made by
5 this section shall apply to property placed in service after
6 December 31, 2011.

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