

110TH CONGRESS  
2D SESSION

# H. R. 6807

To amend the Internal Revenue Code of 1986 to provide a credit for the purchase of new neighborhood electric vehicles.

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## IN THE HOUSE OF REPRESENTATIVES

AUGUST 1, 2008

Mr. HALL of New York 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 provide a credit for the purchase of new neighborhood electric 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. CREDIT FOR NEW NEIGHBORHOOD ELECTRIC**  
4 **VEHICLES.**

5 (a) IN GENERAL.—Subpart B of part IV of sub-  
6 chapter A of chapter 1 of the Internal Revenue Code of  
7 1986 is amended by adding at the end the following new  
8 section:

1 **“SEC. 30D. NEW NEIGHBORHOOD ELECTRIC VEHICLES.**

2 “(a) ALLOWANCE OF CREDIT.—There shall be al-  
3 lowed as a credit against the tax imposed by this chapter  
4 for the taxable year the amount paid or incurred for each  
5 new neighborhood electric vehicle placed in service by the  
6 taxpayer during the taxable year.

7 “(b) DOLLAR LIMITATION.—The amount allowed as  
8 a credit under subsection (a) shall not exceed the lesser  
9 of—

10 “(1) \$1,000, and

11 “(2) the amount paid or incurred by the tax-  
12 payer for such new neighborhood electric vehicle.

13 “(c) APPLICATION WITH OTHER CREDITS.—

14 “(1) BUSINESS CREDIT TREATED AS PART OF  
15 GENERAL BUSINESS CREDIT.—So much of the credit  
16 which would be allowed under subsection (a) for any  
17 taxable year (determined without regard to this sub-  
18 section) that is attributable to property of a char-  
19 acter subject to an allowance for depreciation shall  
20 be treated as a credit listed in section 38(b) for such  
21 taxable year (and not allowed under subsection (a)).

22 “(2) PERSONAL CREDIT.—

23 “(A) IN GENERAL.—For purposes of this  
24 title, the credit allowed under subsection (a) for  
25 any taxable year (determined after application  
26 of paragraph (1)) shall be treated as a credit

1           allowable under subpart A for such taxable  
2           year.

3           “(B) LIMITATION BASED ON AMOUNT OF  
4           TAX.—In the case of a taxable year to which  
5           section 26(a)(2) does not apply, the credit al-  
6           lowed under subsection (a) for any taxable year  
7           (determined after application of paragraph (1))  
8           shall not exceed the excess of—

9                       “(i) the sum of the regular tax liabil-  
10                      ity (as defined in section 26(b)) plus the  
11                      tax imposed by section 55, over

12                     “(ii) the sum of the credits allowable  
13                     under subpart A (other than this section)  
14                     and section 27, 30, 30B, and 30C for the  
15                     taxable year.

16           “(d) NEW NEIGHBORHOOD ELECTRIC VEHICLE.—  
17           For purposes of this section, the term ‘neighborhood elec-  
18           tric vehicle’ means a vehicle—

19                     “(1) which draws propulsion energy solely from  
20                     onboard sources of a rechargeable energy storage  
21                     system,

22                     “(2) which is classified as a low-speed vehicle  
23                     subject to the requirements of Federal Motor Vehicle  
24                     Safety Standard No. 500 (as promulgated by the  
25                     National Highway Traffic Safety Administration in

1 section 571.500 of title 49, Code of Federal Regula-  
2 tions) and which has—

3 “(A) 4 wheels,

4 “(B) a top attainable speed in 1 mile of  
5 more than 20 mph and not more than 35 mph  
6 on a paved level surface, and

7 “(C) a gross vehicle weight rating of less  
8 than 2,500 pounds,

9 “(3) the original use of which commences with  
10 the taxpayer,

11 “(4) which is acquired for use or lease by the  
12 taxpayer and not for resale, and

13 “(5) which is made by a manufacturer in the  
14 United States.

15 “(e) SPECIAL RULES.—

16 “(1) BASIS REDUCTION.—The basis of any  
17 property for which a credit is allowable under sub-  
18 section (a) shall be reduced by the amount of such  
19 credit (determined without regard to subsection (b)).

20 “(2) RECAPTURE.—The Secretary shall, by reg-  
21 ulations, provide for recapturing the benefit of any  
22 credit allowable under subsection (a) with respect to  
23 any property which ceases to be property eligible for  
24 such credit.

1           “(3) PROPERTY USED OUTSIDE UNITED  
2 STATES, ETC., NOT QUALIFIED.—No credit shall be  
3 allowed under subsection (a) with respect to any  
4 property referred to in section 50(b)(1) or with re-  
5 spect to the portion of the cost of any property  
6 taken into account under section 179.

7           “(4) ELECTION NOT TO TAKE CREDIT.—No  
8 credit shall be allowed under subsection (a) for any  
9 vehicle if the taxpayer elects to not have this section  
10 apply to such vehicle.

11          “(f) TERMINATION.—This section shall not apply to  
12 property purchased after December 31, 2013.”.

13          (b) CREDIT MADE PART OF GENERAL BUSINESS  
14 CREDIT.—Section 38(b) of such Code is amended by strik-  
15 ing “plus” at the end of paragraph (32), by striking the  
16 period at the end of paragraph (33) and inserting “, plus”,  
17 and by adding at the end the following new paragraph:

18           “(34) the portion of the new neighborhood elec-  
19 tric vehicle credit to which section 30D(c)(1) ap-  
20 plies.”.

21          (c) CONFORMING AMENDMENTS.—

22           (1) Section 1016(a) of such Code is amended  
23 by striking “and” at the end of paragraph (35), by  
24 striking the period at the end of paragraph (36) and

1 inserting “, and”, and by adding at the end the fol-  
2 lowing new paragraph:

3 “(37) to the extent provided in section  
4 30D(e)(1).”.

5 (2) Section 6501(m) of such Code is amended  
6 by inserting “30D(e)(4),” after “30C(e)(5),”.

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

“Sec. 30D. New neighborhood electric vehicles.”.

11 (d) EFFECTIVE DATE.—The amendments made by  
12 this section shall apply to taxable years beginning after  
13 December 31, 2008.

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