

111TH CONGRESS  
2D SESSION

# H. R. 4494

To amend the Internal Revenue Code of 1986 to allow a credit for lightweight coal freight cars.

---

## IN THE HOUSE OF REPRESENTATIVES

JANUARY 21, 2010

Mr. DAVIS 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 allow a credit for lightweight coal freight cars.

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. LIGHTWEIGHT COAL FREIGHT CAR CREDIT.**

4 (a) IN GENERAL.—Subpart D of part IV of sub-  
5 chapter A of chapter 1 of the Internal Revenue Code of  
6 1986 (relating to business related credits) is amended by  
7 adding at the end the following new section:

8 **“SEC. 45R. LIGHTWEIGHT COAL FREIGHT CAR CREDIT.**

9 “(a) IN GENERAL.—For purposes of section 38, in  
10 the case of a taxpayer who is engaged in the trade or busi-

1 ness of transporting coal by rail or financing freight cars  
2 for use in such a trade or business, the lightweight coal  
3 freight car credit determined under this section for any  
4 taxable year shall be an amount equal to 30 percent of  
5 the basis of each eligible lightweight coal freight car placed  
6 in service by the taxpayer during the taxable year.

7 “(b) ELIGIBLE LIGHTWEIGHT COAL FREIGHT  
8 CAR.—For purposes of this section—

9 “(1) IN GENERAL.—The term ‘eligible light-  
10 weight coal freight car’ means any freight car—

11 “(A) designed to carry coal by rail,

12 “(B) the tare weight of which does not ex-  
13 ceed 50,000 pounds, and

14 “(C) substantially all of the manufacturing  
15 of which occurred in the United States.

16 “(2) SUBSTANTIALLY ALL.—Substantially all of  
17 the manufacturing of a freight car shall be treated  
18 as having occurred in the United States if—

19 “(A) the cost of the freight car’s compo-  
20 nents produced in the United States is more  
21 than 80 percent of the cost of all components  
22 of the freight car, and

23 “(B) final assembly of the freight car oc-  
24 curs in the United States.

1       “(c) BASIS ADJUSTMENT.—For purposes of this sub-  
2 title, if a credit is allowed under this section with respect  
3 to any freight car, the basis of such car shall be reduced  
4 by the amount of the credit so allowed.

5       “(d) TERMINATION.—This section shall not apply to  
6 any freight car placed in service after December 31,  
7 2013.”.

8       (b) CREDIT MADE PART OF GENERAL BUSINESS  
9 CREDIT.—Subsection (b) of section 38 of such Code is  
10 amended by striking “plus” at the end of paragraph (34),  
11 by striking the period at the end of paragraph (35) and  
12 inserting “, plus”, and by adding at the end the following  
13 new paragraph:

14               “(36) the lightweight coal freight car credit de-  
15 termined under section 45R(a).”.

16       (c) CONFORMING AMENDMENTS.—Subsection (a) of  
17 section 1016 of such Code is amended by striking “and”  
18 at the end of paragraph (35), by striking the period at  
19 the end of paragraph (36) and inserting “, and”, and by  
20 adding at the end the following new paragraph:

21               “(37) to the extent provided in section  
22 45R(c).”.

23       (d) CLERICAL AMENDMENT.—The table of sections  
24 for subpart D of part IV of subchapter A of chapter 1

1 of such Code is amended by adding at the end the fol-  
2 lowing new item:

“Sec. 45R. Lightweight coal freight car credit.”.

3 (e) EFFECTIVE DATE.—The amendments made by  
4 this section shall apply to freight cars placed in service  
5 after the date of the enactment of this Act.

○