

111TH CONGRESS  
1ST SESSION

# S. 2854

To amend the Internal Revenue Code of 1986 to extend and modify the credit for new qualified hybrid motor vehicles, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

DECEMBER 9, 2009

Mr. KOHL (for himself and Mr. HATCH) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to extend and modify the credit for new qualified hybrid motor vehicles, 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. EXTENSION AND MODIFICATION OF NEW**  
4 **QUALIFIED HYBRID MOTOR VEHICLE CRED-**  
5 **IT.**

6 (a) EXTENSION.—Paragraph (3) of section 30B(k) of  
7 the Internal Revenue Code of 1986 is amended by striking  
8 “December 31, 2009” and inserting “December 31,  
9 2014”.

1 (b) QUALIFIED INCREMENTAL HYBRID COST.—  
2 Clause (iii) of section 30B(d)(2)(B) of the Internal Rev-  
3 enue Code of 1986 is amended by striking “does not ex-  
4 ceed—” and all that follows and inserting the following:  
5 “does not exceed—

6 “(I) \$15,000, if such vehicle has  
7 a gross vehicle weight rating of not  
8 more than 14,000 pounds;

9 “(II) \$30,000, if such vehicle has  
10 a gross vehicle weight rating of more  
11 than 14,000 pounds but not more  
12 than 26,000 pounds;

13 “(III) \$60,000, if such vehicle  
14 has a gross vehicle weight rating of  
15 more than 26,000 pounds but not  
16 more than 33,000 pounds; and

17 “(IV) \$100,000, if such vehicle  
18 has a gross vehicle weight rating more  
19 than 33,000 pounds.”.

20 (c) APPLICABLE PERCENTAGE FOR HEAVY TRUCKS  
21 ACHIEVING 20 PERCENT INCREASE IN CITY FUEL ECON-  
22 OMY.—Clause (ii) of section 30B(d)(2)(B) of the Internal  
23 Revenue Code of 1986 is amended by redesignating sub-  
24 clauses (I), (II), and (III) as subclauses (II), (III), and

1 (IV), respectively, and by inserting before subclause (II)  
 2 (as so redesignated) the following new subclause:

3 “(I) 10 percent in the case of a  
 4 vehicle to which clause (iii)(IV) ap-  
 5 plies if such vehicle achieves an in-  
 6 crease in city fuel economy relative to  
 7 a comparable vehicle of at least 20  
 8 percent but less than 30 percent.”.

9 (d) DOLLAR LIMITATION.—Subparagraph (B) of sec-  
 10 tion 30B(d)(2) of the Internal Revenue Code of 1986 is  
 11 amended by adding at the end the following new clause:

12 “(vi) LIMITATION.—The amount al-  
 13 lowed as a credit under subsection (a)(3)  
 14 with respect to a vehicle by reason of  
 15 clause (i) of this subparagraph shall not  
 16 exceed \$24,000.”.

17 (e) HEAVY ELECTRIC VEHICLES.—Paragraph (3) of  
 18 section 30B(d) of the Internal Revenue Code of 1986 is  
 19 amended by redesignating subparagraphs (B), (C), and  
 20 (D) as subparagraphs (C), (D), and (E), respectively, and  
 21 by inserting after subparagraph (A) the following new sub-  
 22 paragraphs:

23 “(B) HEAVY ELECTRIC VEHICLES.—In the  
 24 case of a vehicle with a gross vehicle weight rat-  
 25 ing of not less than 8,500 pounds, the term

1           ‘new qualified hybrid motor vehicle’ includes a  
2           motor vehicle—

3                   “(i) which draws propulsion energy  
4                   exclusively from a rechargeable energy  
5                   storage system; and

6                   “(ii) which meets the requirements of  
7                   clauses (iii), (v), (vi), and (vii) of subpara-  
8                   graph (A).”.

9           (f) CREDITS MAY BE TRANSFERRED.—Subsection  
10          (d) of section 30B of the Internal Revenue Code of 1986  
11          is amended by adding at the end the following new para-  
12          graph:

13                   “(4) TRANSFERABILITY OF CREDIT.—

14                           “(A) IN GENERAL.—A taxpayer who places  
15                           in service any vehicle may transfer the credit al-  
16                           lowed under this subsection with respect to  
17                           such vehicle through an assignment to the seller  
18                           of such vehicle. Such transfer may be revoked  
19                           only with the consent of the Secretary.

20                           “(B) REGULATIONS.—The Secretary shall  
21                           prescribe such regulations as necessary to en-  
22                           sure that any credit transferred under subpara-  
23                           graph (A) is claimed once and not reassigned  
24                           by such other person.”.

1 (g) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to vehicles acquired after Decem-  
3 ber 31, 2009.

4 **SEC. 2. EXTENSION OF ALTERNATIVE FUEL VEHICLE RE-**  
5 **FUELING PROPERTY CREDIT.**

6 (a) IN GENERAL.—Paragraph (2) of section 30C(g)  
7 of the Internal Revenue Code of 1986 is amended by strik-  
8 ing “2010” and inserting “2013”.

9 (b) EXTENSION OF INCREASED CREDIT.—Paragraph  
10 (6) of section 30C(e) of the Internal Revenue Code of  
11 1986 is amended—

12 (1) by striking “2011” and inserting “2014”;

13 and

14 (2) by striking “2009 AND 2010” in the heading  
15 and inserting “2009 THROUGH 2013”.

16 (c) DEFINITION OF ALTERNATIVE FUEL VEHICLE  
17 REFUELING PROPERTY IN THE CASE OF ELECTRICITY.—

18 Subparagraph (B) of section 179A(d)(3) of the Internal  
19 Revenue Code of 1986 is amended to read as follows:

20 “(B) for the recharging of motor vehicles  
21 propelled by electricity, including electrical  
22 panel upgrades, wiring, conduit, trenching, ped-  
23 estals, and related equipment.”.

1 (d) EFFECTIVE DATE.—The amendments made by  
 2 this section shall apply to property placed in service after  
 3 the date of the enactment of this Act.

4 **SEC. 3. TAX CREDIT FOR ELECTRIFICATION TECH-**  
 5 **NOLOGIES TO REDUCE TRUCK IDLING.**

6 (a) IN GENERAL.—Subpart D of part IV of sub-  
 7 chapter A of chapter 1 of the Internal Revenue Code of  
 8 1986 (relating to business-related credits) is amended by  
 9 adding at the end the following new section:

10 **“SEC. 45R. IDLING REDUCTION CREDIT.**

11 “(a) GENERAL RULE.—For purposes of section 38,  
 12 the idling reduction tax credit determined under this sec-  
 13 tion for the taxable year is an amount equal to 50 percent  
 14 of the amount paid or incurred for the purchase and in-  
 15 stallation of each qualifying idling reduction device or  
 16 qualifying idle reduction infrastructure placed in service  
 17 by the taxpayer during the taxable year.

18 “(b) LIMITATION.—The maximum amount allowed as  
 19 a credit under subsection (a) shall not exceed \$3,500 per  
 20 device or per qualifying infrastructure.

21 “(c) DEFINITIONS.—For purposes of subsection  
 22 (a)—

23 “(1) QUALIFYING IDLING REDUCTION DE-  
 24 VICE.—The term ‘qualifying idling reduction device’  
 25 means any device or system of devices which—

1           “(A) is installed on a heavy-duty diesel  
2 powered on-highway vehicle;

3           “(B) is designed to provide to such vehicle  
4 those services (such as heat, air conditioning, or  
5 electricity) that would otherwise require the op-  
6 eration of the main drive engine while the vehi-  
7 cle is temporarily parked or remains stationary  
8 using either—

9                   “(i) an all electric unit, such as a bat-  
10 tery powered unit or from grid-supplied  
11 electricity; or

12                   “(ii) a dual fuel unit powered by die-  
13 sel or other fuels, and capable of providing  
14 such services from grid-supplied electricity  
15 or on-truck batteries alone;

16           “(C) the original use of which commences  
17 with the taxpayer;

18           “(D) is acquired for use by the taxpayer;  
19 and

20           “(E) is certified by the Secretary of En-  
21 ergy, in consultation with the Administrator of  
22 the Environmental Protection Agency and the  
23 Secretary of Transportation, to reduce long-du-  
24 ration idling of such vehicle at a motor vehicle

1 rest stop or other location where such vehicles  
2 are temporarily parked or remain stationary.

3 “(2) HEAVY-DUTY DIESEL-POWERED ON-HIGH-  
4 WAY VEHICLE.—The term ‘heavy-duty diesel-pow-  
5 ered on-highway vehicle’ means any vehicle, ma-  
6 chine, tractor, trailer, or semi-trailer propelled or  
7 drawn by mechanical power and used upon the high-  
8 ways in the transportation of passengers or prop-  
9 erty, or any combination thereof determined by the  
10 Federal Highway Administration.

11 “(3) LONG DURATION IDLING.—The term ‘long  
12 duration idling’ means the operation of a main drive  
13 engine, for a period greater than 15 consecutive  
14 minutes, where the main drive engine is not engaged  
15 in gear. Such term does not apply to routine stop-  
16 pages associated with traffic movement or conges-  
17 tion.

18 “(4) QUALIFYING IDLE REDUCTION INFRA-  
19 STRUCTURE.—The term ‘qualifying idle reduction  
20 infrastructure’ means off-truck equipment—

21 “(A) which is to be used exclusively with  
22 respect to vehicles with a gross vehicle weight  
23 rating of 14,000 pounds or greater; and

24 “(B) which either—



1           “(i) is used to supply electric power,  
2           including electric receptacles, boxes, wir-  
3           ing, conduit, and other connections to one  
4           truck space; or

5           “(ii) directly provides air conditioning,  
6           heating, electric power, and other connec-  
7           tions and services to one truck space.

8           “(d) NO DOUBLE BENEFIT.—For purposes of this  
9 section—

10           “(1) REDUCTION IN BASIS.—If a credit is de-  
11           termined under this section with respect to any  
12           property by reason of expenditures described in sub-  
13           section (a), the basis of such property shall be re-  
14           duced by the amount of the credit so determined.

15           “(2) OTHER DEDUCTIONS AND CREDITS.—No  
16           deduction or credit shall be allowed under any other  
17           provision of this chapter with respect to the amount  
18           of the credit determined under this section.

19           “(e) ELECTION NOT TO CLAIM CREDIT.—This sec-  
20           tion shall not apply to a taxpayer for any taxable year  
21           if such taxpayer elects to have this section not apply for  
22           such taxable year.

23           “(f) TERMINATION.—This section shall not apply to  
24           any property placed in service after December 31, 2013.”.

1 (b) CREDIT TO BE PART OF GENERAL BUSINESS  
2 CREDIT.—Subsection (b) of section 38 of the Internal  
3 Revenue Code of 1986 (relating to general business credit)  
4 is amended by striking “plus” at the end of paragraph  
5 (34), by striking the period at the end of paragraph (35)  
6 and inserting “, plus”, and by adding at the end the fol-  
7 lowing new paragraph:

8 “(36) the idling reduction tax credit determined  
9 under section 45R(a).”.

10 (c) CONFORMING AMENDMENTS.—

11 (1) The table of sections for subpart D of part  
12 IV of subchapter A of chapter 1 of the Internal Rev-  
13 enue Code of 1986 is amended by inserting after the  
14 item relating to section 45P the following new item:

“Sec. 45R. Idling reduction credit.”.

15 (2) Section 1016(a) of such Code is amended  
16 by striking “and” at the end of paragraph (36), by  
17 striking the period at the end of paragraph (37) and  
18 inserting “, and”, and by adding at the end the fol-  
19 lowing:

20 “(38) in the case of a facility with respect to  
21 which a credit was allowed under section 45R, to the  
22 extent provided in section 45R(d)(1).”.

23 (3) Section 6501(m) of such Code is amended  
24 by inserting “45R(e),” after “45H(g),”.

1 (d) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to taxable years beginning after  
3 December 31, 2009.

4 (e) DETERMINATION OF CERTIFICATION STANDARDS  
5 BY SECRETARY OF ENERGY FOR CERTIFYING IDLING RE-  
6 Duction DEVICES.—Not later than 6 months after the  
7 date of the enactment of this Act and in order to reduce  
8 air pollution and fuel consumption, the Secretary of En-  
9 ergy, in consultation with the Administrator of the Envi-  
10 ronmental Protection Agency and the Secretary of Trans-  
11 portation, shall publish the standards under which the  
12 Secretary, in consultation with the Administrator of the  
13 Environmental Protection Agency and the Secretary of  
14 Transportation, will, for purposes of section 45R of the  
15 Internal Revenue Code of 1986 (as added by this section),  
16 certify the idling reduction devices and idling reduction in-  
17 frastructure which will reduce long duration idling of vehi-  
18 cles at motor vehicle rest stops or other locations where  
19 such vehicles are temporarily parked or remain stationary  
20 in order to reduce air pollution and fuel consumption.

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