

112TH CONGRESS
2D SESSION

S. 3531

To amend the Internal Revenue Code of 1986 to increase, expand, and extend the credit for hydrogen-related alternative fuel vehicle refueling property and to increase the investment credit for more efficient fuel cells.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 12, 2012

Mr. BLUMENTHAL introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to increase, expand, and extend the credit for hydrogen-related alternative fuel vehicle refueling property and to increase the investment credit for more efficient fuel cells.

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. EXPANSION OF CREDIT FOR HYDROGEN-RE-**
4 **LATED ALTERNATIVE FUEL VEHICLE RE-**
5 **FUELING PROPERTY.**

6 (a) INCREASE IN CREDIT PERCENTAGE.—Subsection
7 (a) of section 30C of the Internal Revenue Code of 1986
8 (relating to alternative fuel vehicle refueling property cred-

1 it) is amended by inserting “(50 percent in the case of
2 property relating to hydrogen)” after “30 percent”.

3 (b) NO DOLLAR LIMITATION.—Subsection (b) of sec-
4 tion 30C of such Code is amended by adding at the end
5 the following flush sentence:

6 “The preceding sentence shall not apply in the case of
7 property related to hydrogen.”.

8 (c) CREDIT ALLOWABLE FOR REFUELING PROPERTY
9 FOR CERTAIN MOTOR VEHICLES DESIGNED FOR CAR-
10 RYING OR TOWING LOADS.—

11 (1) IN GENERAL.—Subsection (c) of section
12 30C of such Code is amended by striking “and” at
13 the end of paragraph (1), by striking the period at
14 the end of paragraph (2) and inserting “, and”, and
15 by adding at the end the following new paragraph:

16 “(3) with respect to property described in sec-
17 tion 179A(d)(3)(A) for the storage or dispensing of
18 fuel at least 85 percent of the volume of which con-
19 sists of hydrogen, the reference to motor vehicles in
20 section 179A(d)(3)(A) included specified off-highway
21 vehicles.”.

22 (2) SPECIFIED OFF-HIGHWAY VEHICLES DE-
23 FINED.—Subsection (c) of section 30C of such Code
24 is amended by adding at the end the following new
25 paragraph:

1 “(7) SPECIFIED OFF-HIGHWAY VEHICLES.—For
2 purposes of subsection (c)(3)—

3 “(A) IN GENERAL.—The term ‘specified
4 off-highway vehicles’ means all types of vehicles
5 propelled by motor that are designed for car-
6 rying or towing loads from one place to an-
7 other, regardless of the type of load or material
8 carried or towed and whether or not the vehicle
9 is registered or required to be registered for
10 highway use, including fork lift trucks used to
11 carry loads at railroad stations, industrial
12 plants, and warehouses.

13 “(B) EXCEPTIONS.—Such term does not
14 include—

15 “(i) farm tractors, trench diggers,
16 power shovels, bulldozers, road graders or
17 rollers, and similar equipment which does
18 not carry or tow a load, and

19 “(ii) any vehicle that operates exclu-
20 sively on a rail or rails.”.

21 (d) CREDIT FOR HYDROGEN PROPERTY EXTENDED
22 THROUGH 2016.—Paragraph (1) of section 30C(g) of
23 such Code is amended by striking “December 31, 2014”
24 and inserting “December 31, 2016”.

25 (e) EFFECTIVE DATE.—

1 (1) IN GENERAL.—The amendments made by
2 subsections (a) and (c) shall apply to property
3 placed in service after the date of the enactment of
4 this Act in taxable years ending after such date.

5 (2) REPEAL OF LIMITATION.—The amendment
6 made by subsection (b) shall apply to taxable years
7 beginning after the date of the enactment of this
8 Act.

9 (3) HYDROGEN REFUELING PROPERTY.—The
10 amendment made by subsection (d) shall apply to
11 property placed in service after December 31, 2014.

12 **SEC. 2. INCREASED INVESTMENT CREDIT FOR MORE EFFI-**
13 **CIENT FUEL CELLS.**

14 (a) INCREASED PERCENTAGE.—

15 (1) IN GENERAL.—Subparagraph (A) of section
16 48(a)(2) of the Internal Revenue Code of 1986 (re-
17 lating to energy percentage) is amended by redesign-
18 ating clauses (i) and (ii) as clauses (iii) and (iv),
19 respectively, and by inserting before clause (iii), as
20 so redesignated, the following new clauses:

21 “(i) 50 percent in the case of qualified
22 fuel cell property used in a combined heat
23 and power system having an energy effi-
24 ciency percentage (as defined in section
25 48(c)(3)(C)) of 70 percent or more,

1 “(ii) 40 percent in the case of quali-
2 fied fuel cell property used in such a sys-
3 tem having an energy efficiency percentage
4 (as so defined) of at least 60 percent but
5 less than 70 percent,”.

6 (2) CONFORMING AMENDMENTS.—

7 (A) Subclause (I) of section
8 48(a)(2)(A)(iii) of such Code, as redesignated
9 by paragraph (1), is amended by inserting “not
10 described in clause (i) or (ii)” before the
11 comma.

12 (B) Clause (iv) of section 48(a)(2)(A) of
13 such Code, as so redesignated, is amended by
14 striking “to which clause (i) does not apply”
15 and inserting “to which none of the preceding
16 clauses apply”.

17 (b) INCREASED MAXIMUM CREDIT.—Subparagraph
18 (B) of section 48(c)(1) of such Code is amended to read
19 as follows:

20 “(B) LIMITATION.—In the case of quali-
21 fied fuel cell property placed in service during
22 the taxable year, the credit otherwise deter-
23 mined under subsection (a) for such year with
24 respect to such property shall not exceed an
25 amount equal to—

1 “(i) in the case of property described
2 in subsection (a)(2)(A)(i), \$2,500 for each
3 0.5 kilowatt of capacity of such property,

4 “(ii) in the case of property described
5 in subsection (a)(2)(A)(ii), \$2,000 for each
6 0.5 kilowatt of capacity of such property,

7 and

8 “(iii) in the case of property described
9 in subsection (a)(2)(A)(iii)(I), \$1,500 for
10 each 0.5 kilowatt of capacity of such prop-
11 erty.”.

12 (c) EFFECTIVE DATE.—The amendments made by
13 this section shall apply to taxable years beginning after
14 the date of the enactment of this Act.

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