

109TH CONGRESS
1ST SESSION

H. R. 3273

To amend the Internal Revenue Code of 1986 to allow a deduction for flexible fuel vehicles.

IN THE HOUSE OF REPRESENTATIVES

JULY 13, 2005

Mr. SAXTON (for himself and Mr. GERLACH) 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 deduction for flexible fuel 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. DEDUCTION FOR FLEXIBLE FUEL VEHICLES.**

4 (a) IN GENERAL.—Paragraph (1) of section 179A(a)
5 of the Internal Revenue Code of 1986 is amended by strik-
6 ing “and” at the end of subparagraph (A), by striking
7 the period at the end of subparagraph (B) and inserting
8 “, and”, and by inserting after subparagraph (B) the fol-
9 lowing new subparagraph:

10 “(C) any qualified flexible fuel vehicle.”.

1 (b) QUALIFIED FLEXIBLE FUEL VEHICLE.—Section
2 179A of such Code is amended by redesignating sub-
3 sections (e) and (f) as subsections (f) and (g) and by in-
4 serting after subsection (d) the following new subsection:

5 “(e) QUALIFIED FLEXIBLE FUEL VEHICLE.—For
6 purposes of this section—

7 “(1) IN GENERAL.—The term ‘qualified flexible
8 fuel vehicle’ means, subject to the limitation of para-
9 graph (3), a motor vehicle produced by an original
10 equipment manufacturer which meets the require-
11 ments of paragraph (2) and is designed so that vehi-
12 cle is propelled by an engine which can use each of
13 the following to propel the vehicle:

14 “(A) Gasoline.

15 “(B) One or more fuels at least 85 percent
16 of which is 1 or more of the following: meth-
17 anol, ethanol, any other alcohol, or ether.

18 “(C) Any combination of gasoline and one
19 or more of the fuels described in subparagraph
20 (B).

21 “(2) OTHER REQUIREMENTS.—A vehicle meets
22 the requirements of this paragraph if—

23 “(A) the vehicle is acquired for use by the
24 taxpayer and not for resale, and

1 “(B) the original use of the vehicle com-
2 mences with the taxpayer.

3 “(3) LIMITATION.—A qualified flexible fuel ve-
4 hicle shall be taken into account for purposes of this
5 section only to the extent of the portion of the basis
6 of such vehicle which is attributable to an engine
7 which may use the fuels described in paragraph (1),
8 to the storage or delivery to the engine of such fuels,
9 or to the exhaust of gases from combustion of such
10 fuels.

11 “(4) EXCEPTIONS.—The term ‘qualified flexible
12 fuel vehicle’ does not include any qualified electric
13 vehicle (as defined in section 30(c)) or any vehicle
14 to which subsection (a)(1)(A) applies.”.

15 (c) CONFORMING AMENDMENTS.—

16 (1) Paragraph (2) of section 179A(a) of such
17 Code is amended by striking “If a vehicle” and in-
18 serting “If a vehicle to which paragraph (1)(A) ap-
19 plies”.

20 (2) Paragraph (1) of section 179A(b) of such
21 Code is amended—

22 (A) in the heading for such paragraph, by
23 inserting “AND QUALIFIED FLEXIBLE FUEL VE-
24 HICLES” after “PROPERTY”,

1 (B) in subparagraph (A), by striking “sub-
2 section (a)(1)(A)” and inserting “subpara-
3 graphs (A) and (C) of subsection (a)(1)”, and
4 (C) in the heading for subparagraph (B),
5 by inserting “FOR QUALIFIED CLEAN-FUEL VE-
6 HICLE PROPERTY” after “PHASEOUT”.

7 (d) TERMINATION.—Subsection (g) of section 179A
8 of such Code (relating to termination), as redesignated by
9 this section, is amended to read as follows:

10 “(g) TERMINATION.— This section shall not apply
11 to—

12 “(1) any qualified clean-fuel vehicle property or
13 any qualified clean-fuel vehicle refueling property
14 placed in service after December 31, 2006, or

15 “(2) any qualified flexible fuel vehicle placed in
16 service after December 31, 2010.”.

17 (e) EFFECTIVE DATE.—The amendments made by
18 this section shall apply to property placed in service after
19 the date of the enactment of this Act.

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