

109TH CONGRESS  
1ST SESSION

# S. 181

To amend the Internal Revenue Code of 1986 to allow a credit against income tax for taxpayers owning certain commercial power takeoff vehicles.

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IN THE SENATE OF THE UNITED STATES

JANUARY 26, 2005

Mr. ENSIGN 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 allow a credit against income tax for taxpayers owning certain commercial power takeoff 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. SHORT TITLE.**

4 This Act may be cited as the “Fuel Tax Equalization  
5 Credit for Substantial Power Takeoff Vehicles Act”.

6 **SEC. 2. CREDIT FOR TAXPAYERS OWNING COMMERCIAL**  
7 **POWER TAKEOFF VEHICLES.**

8 (a) IN GENERAL.—Subpart D of part IV of sub-  
9 chapter A of chapter 1 of the Internal Revenue Code of

1 1986 (relating to business-related credits) is amended by  
 2 adding at the end the following new section:

3 **“SEC. 45J. COMMERCIAL POWER TAKEOFF VEHICLES**  
 4 **CREDIT.**

5 “(a) GENERAL RULE.—For purposes of section 38,  
 6 the amount of the commercial power takeoff vehicles credit  
 7 determined under this section for the taxable year is \$250  
 8 for each qualified commercial power takeoff vehicle owned  
 9 by the taxpayer as of the close of the calendar year with  
 10 or within which the taxable year ends.

11 “(b) DEFINITIONS.—For purposes of this section—

12 “(1) QUALIFIED COMMERCIAL POWER TAKEOFF  
 13 VEHICLE.—The term ‘qualified commercial power  
 14 takeoff vehicle’ means any highway vehicle described  
 15 in paragraph (2) which—

16 “(A) is propelled by any fuel subject to tax  
 17 under section 4041 or 4081, and

18 “(B) is used in a trade or business or for  
 19 the production of income (and is licensed and  
 20 insured for such use).

21 “(2) HIGHWAY VEHICLE DESCRIBED.—A high-  
 22 way vehicle is described in this paragraph if such ve-  
 23 hicle is—

24 “(A) designed to engage in the daily collec-  
 25 tion of refuse or recyclables from homes or

1 businesses and is equipped with a mechanism  
2 under which the vehicle's propulsion engine pro-  
3 vides the power to operate a load compactor, or

4 “(B) designed to deliver ready mixed con-  
5 crete on a daily basis and is equipped with a  
6 mechanism under which the vehicle's propulsion  
7 engine provides the power to operate a mixer  
8 drum to agitate and mix the product en route  
9 to the delivery site.

10 “(c) EXCEPTION FOR VEHICLES USED BY GOVERN-  
11 MENTS, ETC.—No credit shall be allowed under this sec-  
12 tion for any vehicle owned by any person at the close of  
13 a calendar year if such vehicle is used at any time during  
14 such year by—

15 “(1) the United States or an agency or instru-  
16 mentality thereof, a State, a political subdivision of  
17 a State, or an agency or instrumentality of one or  
18 more States or political subdivisions, or

19 “(2) an organization exempt from tax under  
20 section 501(a).

21 “(d) DENIAL OF DOUBLE BENEFIT.—The amount of  
22 any deduction under this subtitle for any tax imposed by  
23 subchapter B of chapter 31 or part III of subchapter A  
24 of chapter 32 for any taxable year shall be reduced (but

1 not below zero) by the amount of the credit determined  
2 under this subsection for such taxable year.”.

3 (b) CREDIT MADE PART OF GENERAL BUSINESS  
4 CREDIT.—Subsection (b) of section 38 of the Internal  
5 Revenue Code of 1986 (relating to general business credit)  
6 is amended by striking “plus” at the end of paragraph  
7 (18), by striking the period at the end of paragraph (19)  
8 and inserting “, plus”, and by adding at the end the fol-  
9 lowing new paragraph:

10 “(20) the commercial power takeoff vehicles  
11 credit under section 45J(a).”.

12 (c) CLERICAL AMENDMENT.—The table of sections  
13 for subpart D of part IV of subchapter A of chapter 1  
14 of the Internal Revenue Code of 1986 is amended by add-  
15 ing at the end the following new item:

“Sec. 45J. Commercial power takeoff vehicles credit.”.

16 (d) EFFECTIVE DATE.—The amendments made by  
17 this section shall apply to taxable years ending after De-  
18 cember 31, 2004.

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