

110TH CONGRESS
1ST SESSION

H. R. 2966

To amend the Internal Revenue Code of 1986 to provide a credit for the conversion of hybrid motor vehicles to plug-in hybrid motor vehicles.

IN THE HOUSE OF REPRESENTATIVES

JULY 10, 2007

Mr. MARKEY (for himself, Mr. MORAN of Virginia, Mr. BLUMENAUER, and Mr. INSLEE) 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 provide a credit for the conversion of hybrid motor vehicles to plug-in hybrid motor 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 “Plug-in Hybrid Oppor-
5 tunity Act of 2007”.

1 **SEC. 2. CREDIT FOR CONVERSION OF HYBRID MOTOR VE-**
2 **HICLES TO PLUG-IN HYBRID MOTOR VEHI-**
3 **CLES.**

4 (a) **IN GENERAL.**—Subsection (a) of section 30B of
5 the Internal Revenue Code of 1986 (relating to the alter-
6 native motor vehicle credit) is amended by striking “and”
7 at the end of paragraph (3), by striking the period at the
8 end of paragraph (4) and inserting “, and”, and by adding
9 at the end the following new paragraph:

10 “(5) the plug-in battery module conversion
11 credit determined under subsection (f).”.

12 (b) **PLUG-IN BATTERY MODULE CONVERSION CRED-**
13 **IT.**—Section 30B of such Code is amended by redesignig-
14 nating subsections (f) through (j) as subsections (g)
15 through (k), respectively, and by inserting after subsection
16 (e) the following new subsection:

17 “(f) **PLUG-IN BATTERY MODULE CONVERSION**
18 **CREDIT.**—

19 “(1) **IN GENERAL.**—For purposes of subsection
20 (a), the plug-in battery module conversion credit de-
21 termined under this subsection with respect to any
22 qualified plug-in battery module placed in service by
23 the taxpayer during the taxable year is 35 percent
24 of the cost of such module (including reasonable
25 labor costs for installation).

1 “(2) LIMITATION.—The amount of the credit
2 allowed under this subsection shall not exceed
3 \$4,000 with respect to any qualified plug-in battery
4 module.

5 “(3) DEFINITIONS AND SPECIAL RULES.—For
6 purposes of this subsection—

7 “(A) QUALIFIED PLUG-IN BATTERY MOD-
8 ULE.—The term ‘qualified plug-in battery mod-
9 ule’ means any plug-in battery module—

10 “(i) the original use of which com-
11 mences with the taxpayer,

12 “(ii) which is acquired for use or lease
13 by the taxpayer and not for resale, and

14 “(iii) which is installed in a new quali-
15 fied hybrid motor vehicle (as defined in
16 subsection (d), determined without regard
17 to subparagraph (A)(v) thereof) of the tax-
18 payer, but only if such vehicle was not
19 equipped with a plug-in battery module at
20 any time prior to such installation.

21 “(B) PLUG-IN BATTERY MODULE.—The
22 term ‘plug-in battery module’ means, with re-
23 spect to any new qualified hybrid motor vehicle,
24 an electro-chemical storage device of a stand-

1 ardized, mass-produced design of a battery
2 manufacturer, which—

3 “(i) has a traction battery capacity of
4 not less than 2.5 kilowatt hours,

5 “(ii) can be energized and recharged
6 by plugging into an external 120 volt
7 source of electric power,

8 “(iii) has been tested, as installed in
9 a new qualified hybrid motor vehicle of the
10 same make and model year, by the Na-
11 tional Highway Transportation Safety Ad-
12 ministration, and determined by such Ad-
13 ministration to be in compliance with
14 motor vehicle and motor vehicle equipment
15 safety standards applicable to that make
16 and model year vehicle when installed in
17 such motor vehicle by a mechanic with
18 standardized training in protocols estab-
19 lished by the battery manufacturer as part
20 of a nationwide distribution program,

21 “(iv) has been tested, as installed in a
22 new qualified hybrid motor vehicle of the
23 same make and model year, by a testing
24 laboratory approved the Environmental
25 Protection Agency, and such testing con-

1 firmed no effect on compliance with the
2 emission standards applicable to such vehi-
3 cle, and

4 “(v) is certified by a battery manufac-
5 turer as meeting the requirements of
6 clauses (i) through (iv).”.

7 (c) NO RECAPTURE FOR VEHICLES CONVERTED TO
8 QUALIFIED CONVERSION HYBRID VEHICLES.—Paragraph
9 (8) of section 30B(i) of such Code, as redesignated by this
10 section, is amended by adding at the end the following:
11 “For purposes of the preceding sentence, a new qualified
12 hybrid motor vehicle shall not be treated as ceasing to be
13 eligible for the credit allowable under subsection (a) solely
14 by reason of the installation of a qualified plug-in battery
15 module described in subsection (f).”.

16 (d) TERMINATION.—Subsection (k) of section 30A of
17 such Code, as redesignated by this section, is amended by
18 striking “and” at the end of paragraph (3), by striking
19 the period at the end of paragraph (4) and inserting “,
20 and”, and by adding at the end the following new para-
21 graph:

22 “(5) in the case of a qualified plug-in battery
23 module (as described in subsection (f)), December
24 31, 2010.”.

1 (e) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 December 31, 2007.

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