

117TH CONGRESS
1ST SESSION

S. 2420

To amend the Internal Revenue Code of 1986 to provide a credit for the purchase of certain new electric bicycles.

IN THE SENATE OF THE UNITED STATES

JULY 21, 2021

Mr. SCHATZ (for himself and Mr. MARKEY) 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 provide a credit for the purchase of certain new electric bicycles.

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 “Electric Bicycle Incen-
5 tive Kickstart for the Environment Act” or as the “E-
6 BIKE Act”.

7 **SEC. 2. CREDIT FOR CERTAIN NEW ELECTRIC BICYCLES.**

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

1 1986 is amended by adding at the end the following new
2 section:

3 **“SEC. 36C. ELECTRIC BICYCLES.**

4 “(a) ALLOWANCE OF CREDIT.—In the case of an in-
5 dividual, there shall be allowed as a credit against the tax
6 imposed by this subtitle for any taxable year an amount
7 equal to 30 percent of the cost of any qualified electric
8 bicycle placed in service by the taxpayer during such tax-
9 able year.

10 “(b) LIMITATION.—

11 “(1) DOLLAR LIMITATION.—In the case of any
12 taxpayer for any taxable year, the credit allowed
13 under subsection (a) shall not exceed the excess (if
14 any) of—

15 “(A) \$1,500 (twice such amount in the
16 case of a joint return), reduced by

17 “(B) the aggregate credits allowed to the
18 taxpayer under subsection (a) for the 2 pre-
19 ceding taxable years.

20 “(2) NUMBER OF BICYCLES.—In the case of
21 any taxpayer for any taxable year, the number of bi-
22 cycles taken into account under subsection (a) shall
23 not exceed the excess (if any) of—

24 “(A) 1 (2 in the case of a joint return), re-
25 duced by

1 “(B) the aggregate number of bicycles
2 taken into account by the taxpayer under sub-
3 section (a) for the 2 preceding taxable years.

4 “(c) QUALIFIED ELECTRIC BICYCLE.—For purposes
5 of this section—

6 “(1) IN GENERAL.—The term ‘qualified electric
7 bicycle’ means a two- or three-wheeled vehicle—

8 “(A) which is a class 1 electric bicycle, a
9 class 2 electric bicycle, or a class 3 electric bicy-
10 cle,

11 “(B) which is equipped with—

12 “(i) pedals capable of propelling such
13 vehicle,

14 “(ii) a saddle or seat for the rider,
15 and

16 “(iii) an electric motor of less than
17 750 watts which is capable of propelling
18 such vehicle,

19 “(C) the original use of which commences
20 with the taxpayer,

21 “(D) which is acquired for use by the tax-
22 payer in the United States and not for lease or
23 resale, and

1 “(E) which is not property of a character
2 subject to an allowance for depreciation or am-
3 ortization in the hands of the taxpayer.

4 “(2) LIMITATION BASED ON ACQUISITION
5 COST.—The term ‘qualified electric bicycle’ shall not
6 include any vehicle if the aggregate amount paid for
7 the acquisition of such vehicle exceeds \$8,000.

8 “(3) CLASS 1 ELECTRIC BICYCLE.—The term
9 ‘class 1 electric bicycle’ means a two- or three-
10 wheeled vehicle equipped with an electric motor that
11 provides assistance only when the rider is pedaling,
12 that is not capable of providing assistance when the
13 speed of the vehicle exceeds 20 miles per hour, and
14 that is not a class 3 electric bicycle.

15 “(4) CLASS 2 ELECTRIC BICYCLE.—The term
16 ‘class 2 electric bicycle’ means a two- or three-
17 wheeled vehicle equipped with an electric motor that
18 may be used to propel the vehicle without the need
19 of any additional assistance, and that is not capable
20 of providing assistance when the speed of the vehicle
21 exceeds 20 miles per hour.

22 “(5) CLASS 3 ELECTRIC BICYCLE.—The term
23 ‘class 3 electric bicycle’ means a two- or three-
24 wheeled vehicle equipped with an electric motor that
25 provides assistance only when the rider is pedaling,

1 and that is not capable of providing assistance when
2 the speed of the vehicle exceeds 28 miles per hour.”.

3 (b) CONFORMING AMENDMENTS.—

4 (1) Section 6211(b)(4)(A) of such Code is
5 amended by inserting “36C,” after “36B,”.

6 (2) Paragraph (2) of section 1324(b) of title
7 31, United States Code, is amended by inserting
8 “36C,” after “36B,”.

9 (c) CLERICAL AMENDMENT.—The table of sections
10 for subpart C of part IV of subchapter A of chapter 1
11 of the Internal Revenue Code of 1986 is amended by in-
12 serting after the item relating to section 36B the following
13 new item:

“Sec. 36C. Electric bicycles.”.

14 (d) EFFECTIVE DATE.—The amendments made by
15 this section shall apply to vehicles placed in service after
16 the date of the enactment of this Act, in taxable years
17 ending after such date.

18 (e) TREASURY REPORT.—Not later than 3 years
19 after the date of the enactment of this Act, the Secretary
20 of the Treasury (or the Secretary’s designee) shall make
21 publicly available a written report specifying the number
22 of taxpayers claiming the credit allowed under section 36C
23 of the Internal Revenue Code of 1986 (as added by this
24 section) and the aggregate dollar amount of such credits
25 so allowed. Such information shall be stated separately for

1 taxable years beginning in 2021 and 2022, and shall be
2 stated separately with respect to each such years with re-
3 spect to taxpayers in each of the income brackets to which
4 section 1 of such Code applies.

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