

118TH CONGRESS
1ST SESSION

H. R. 3938

To amend the Internal Revenue Code of 1986 to encourage economic growth.

IN THE HOUSE OF REPRESENTATIVES

JUNE 9, 2023

Mr. SMITH of Missouri 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 encourage
economic growth.

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; TABLE OF CONTENTS, ETC.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Build It in America Act”.

6 (b) AMENDMENT OF 1986 CODE.—Except as other-
7 wise expressly provided, whenever in this Act an amend-
8 ment or repeal is expressed in terms of an amendment
9 to, or repeal of, a section or other provision, the reference
10 shall be considered to be made to a section or other provi-
11 sion of the Internal Revenue Code of 1986.

1 (c) TABLE OF CONTENTS.—The table of contents for
 2 this Act is as follows:

Sec. 1. Short title; table of contents, etc.

TITLE I—INVESTMENT IN AMERICA

Sec. 101. Deduction for research and experimental expenditures.

Sec. 102. Extension of allowance for depreciation, amortization, or depletion in determining the limitation on business interest.

Sec. 103. Extension of 100 percent bonus depreciation.

TITLE II—SUPPLY CHAIN SECURITY

Sec. 201. Termination of Hazardous Substance Superfund financing rate.

Sec. 202. Election to determine foreign income taxes paid or accrued to certain Western Hemisphere countries without regard to certain regulations.

Sec. 203. Imposition of tax on the acquisition of United States agricultural interests by disqualified persons.

TITLE III—REPEAL OF SPECIAL INTEREST TAX PROVISIONS

Sec. 301. Repeal of clean electricity production credit.

Sec. 302. Repeal of clean electricity investment credit.

Sec. 303. Modification of clean vehicle credit.

Sec. 304. Repeal of credit for previously-owned clean vehicles.

Sec. 305. Repeal of credit for qualified commercial clean vehicles.

3 **TITLE I—INVESTMENT IN** 4 **AMERICA**

5 **SEC. 101. DEDUCTION FOR RESEARCH AND EXPERIMENTAL** 6 **EXPENDITURES.**

7 (a) DELAY OF AMORTIZATION OF RESEARCH AND
 8 EXPERIMENTAL EXPENDITURES.—Section 174 is amend-
 9 ed by adding at the end the following new subsection:

10 “(e) SUSPENSION OF APPLICATION.—This section
 11 shall apply to amounts paid or incurred in taxable years
 12 beginning after December 31, 2025 (and shall not apply
 13 to amounts paid or incurred in taxable years beginning
 14 on or before such date).”.

1 (b) REINSTATEMENT OF EXPENSING FOR RESEARCH
 2 AND EXPERIMENTAL EXPENDITURES.—Part VI of sub-
 3 chapter B of chapter 1 is amended by inserting after sec-
 4 tion 174 the following new section:

5 **“SEC. 174A. TEMPORARY RULES FOR RESEARCH AND EX-**
 6 **PERIMENTAL EXPENDITURES.**

7 “(a) TREATMENT AS EXPENSES.—Notwithstanding
 8 section 263, there shall be allowed as a deduction any re-
 9 search or experimental expenditures which are paid or in-
 10 curred by the taxpayer during the taxable year in connec-
 11 tion with the taxpayer’s trade or business.

12 “(b) AMORTIZATION OF CERTAIN RESEARCH AND
 13 EXPERIMENTAL EXPENDITURES.—

14 “(1) IN GENERAL.—At the election of the tax-
 15 payer, made in accordance with regulations or other
 16 guidance provided by the Secretary, research or ex-
 17 perimental expenditures which—

18 “(A) are paid or incurred by the taxpayer
 19 in connection with his trade or business, and

20 “(B) would (but for subsection (a)) be
 21 chargeable to capital account but not charge-
 22 able to property of a character which is subject
 23 to the allowance under section 167 (relating to
 24 allowance for depreciation, etc.) or section 611
 25 (relating to allowance for depletion),

1 may be treated as deferred expenses to which sub-
2 section (a) does not apply. In computing taxable in-
3 come, such deferred expenses shall be allowed as a
4 deduction ratably over such period of not less than
5 60 months as may be selected by the taxpayer (be-
6 ginning with the month in which the taxpayer first
7 realizes benefits from such expenditures). Such de-
8 ferred expenses are expenditures properly chargeable
9 to capital account for purposes of section 1016(a)(1)
10 (relating to adjustments to basis of property).

11 “(2) TIME FOR AND SCOPE OF ELECTION.—The
12 election provided by paragraph (1) may be made for
13 any taxable year, but only if made not later than the
14 time prescribed by law for filing the return for such
15 taxable year (including extensions thereof). The
16 method so elected, and the period selected by the
17 taxpayer, shall be adhered to in computing taxable
18 income for the taxable year for which the election is
19 made and for all subsequent taxable years unless,
20 with the approval of the Secretary, a change to a
21 different method (or to a different period) is author-
22 ized with respect to part or all of such expenditures.
23 The election shall not apply to any expenditure paid
24 or incurred during any taxable year before the tax-
25 able year for which the taxpayer makes the election.

1 “(c) ELECTION TO CAPITALIZE EXPENSES.—In the
2 case of a taxpayer which elects (at such time and in such
3 manner as the Secretary may provide) the application of
4 this subsection, subsections (a) and (b) shall not apply.
5 Such election shall not apply to any expenditure paid or
6 incurred during any taxable year before the taxable year
7 for which the taxpayer makes the election and may be
8 made with respect to part of the expenditures paid or in-
9 curred during any taxable year only with the approval of
10 the Secretary.

11 “(d) LAND AND OTHER PROPERTY.—This section
12 shall not apply to any expenditure for the acquisition or
13 improvement of land, or for the acquisition or improve-
14 ment of property to be used in connection with the re-
15 search or experimentation and of a character which is sub-
16 ject to the allowance under section 167 (relating to allow-
17 ance for depreciation, etc.) or section 611 (relating to al-
18 lowance for depletion); but for purposes of this section al-
19 lowances under section 167, and allowances under section
20 611, shall be considered as expenditures.

21 “(e) EXPLORATION EXPENDITURES.—This section
22 shall not apply to any expenditure paid or incurred for
23 the purpose of ascertaining the existence, location, extent,
24 or quality of any deposit of ore or other mineral (including
25 oil and gas).

1 “(f) SOFTWARE DEVELOPMENT.—For purposes of
 2 this section, any amount paid or incurred in connection
 3 with the development of any software shall be treated as
 4 a research or experimental expenditure.

5 “(g) ONLY REASONABLE RESEARCH EXPENDITURES
 6 ELIGIBLE.—This section shall apply to a research or ex-
 7 perimental expenditure only to the extent that the amount
 8 thereof is reasonable under the circumstances.

9 “(h) COORDINATION WITH RESEARCH CREDIT.—

10 “(1) IN GENERAL.—Section 41(d)(1)(A) shall
 11 be applied by substituting ‘expenses under section
 12 174A’ for ‘specified research or experimental ex-
 13 penditures under section 174’.

14 “(2) DENIAL OF DOUBLE BENEFIT.—

15 “(A) IN GENERAL.—Section 280C(c) shall
 16 not apply and the amount taken into account
 17 under this section as research or experimental
 18 expenditures shall be reduced by the amount of
 19 the credit allowable under section 41(a).

20 “(B) ELECTION OF REDUCED CREDIT.—

21 “(i) IN GENERAL.—In the case of any
 22 taxable year for which an election is made
 23 under this subparagraph—

24 “(I) subparagraph (A) shall not
 25 apply, and

1 “(II) the amount of the credit
2 under section 41(a) shall be the
3 amount determined under clause (ii).

4 “(ii) AMOUNT OF REDUCED CRED-
5 IT.—The amount of credit determined
6 under this clause for any taxable year shall
7 be the amount equal to the excess of—

8 “(I) the amount of credit deter-
9 mined under section 41(a) without re-
10 gard to this subparagraph, over

11 “(II) the product of the amount
12 described in subclause (I), multiplied
13 by the rate of tax under section 11(b).

14 “(iii) ELECTION.—An election under
15 this subparagraph for any taxable year
16 shall be made not later than the time for
17 filing the return of tax for such year (in-
18 cluding extensions), shall be made on such
19 return, and shall be made in such manner
20 as the Secretary may prescribe. Such an
21 election, once made, shall be irrevocable.

22 “(C) CONTROLLED GROUPS.—Paragraph
23 (3) of section 280C(b) shall apply for purposes
24 of this paragraph.

1 “(i) COORDINATION WITH LONG-TERM CONTRACT
 2 RULES.—For purposes of determining percentage of com-
 3 pletion under section 460(b)(1)(A), any research or exper-
 4 imental expenditures paid or incurred by the taxpayer in
 5 connection with the taxpayer’s trade or business shall be
 6 taken into account as a cost allocated to the contract for
 7 the taxable year in which so paid or incurred.

8 “(j) COORDINATION WITH CERTAIN OTHER PROVI-
 9 SIONS.—A reference to the corresponding provision of this
 10 section shall be treated as included in any reference to
 11 section 174 in section 56(b), 59(e), 144(a), 168(i), 170(e),
 12 195(c), 263(a), 263A(c), 469(c), 543(d), 864(g), 993(d),
 13 1016(a)(14), 1202(a), or 1298(e).

14 “(k) TERMINATION.—

15 “(1) IN GENERAL.—This section shall not apply
 16 to amounts paid or incurred in taxable years begin-
 17 ning after December 31, 2025.

18 “(2) CHANGE IN METHOD OF ACCOUNTING.—
 19 Paragraph (1) (and the corresponding application of
 20 section 174) shall be treated as a change in method
 21 of accounting for purposes of section 481 and—

22 “(A) such change shall be treated as initi-
 23 ated by the taxpayer,

24 “(B) such change shall be treated as made
 25 with the consent of the Secretary, and

1 “(C) such change shall be applied only on
2 a cut-off basis for any research or experimental
3 expenditures paid or incurred in taxable years
4 beginning after December 31, 2025, and no ad-
5 justment under section 481(a) shall be made.”.

6 (c) COORDINATION OF AMORTIZATION WITH CER-
7 TAIN OTHER PROVISIONS.—Section 174, as amended by
8 subsection (a), is amended by redesignating subsection (e)
9 as subsection (f) and by inserting after subsection (d) the
10 following new subsection:

11 “(e) COORDINATION WITH CERTAIN OTHER PROVI-
12 SIONS.—

13 “(1) COORDINATION WITH ALTERNATIVE MIN-
14 IMUM TAX.—Sections 56(b)(2) and 59(e)(2)(B) shall
15 not apply to specified research or experimental ex-
16 penditures to which this section applies.

17 “(2) COORDINATION WITH BASIS ADJUSTMENT
18 RULES.—Section 1016(a)(14) shall be applied by
19 substituting ‘an amortization deduction under sec-
20 tion 174(a)’ for ‘deductions as deferred expenses
21 under section 174(b)(1)’.

22 “(3) COORDINATION WITH LONG-TERM CON-
23 TRACT RULES.—For purposes of determining per-
24 centage of completion under section 460(b)(1)(A),
25 the amortization deduction under subsection (a)

1 shall be taken into account as a cost allocated to the
 2 contract.”.

3 (d) CONFORMING AMENDMENTS.—

4 (1) Section 13206 of Public Law 115–97 is
 5 amended by striking subsection (b) (relating to
 6 change in method of accounting).

7 (2) The table of sections for part VI of sub-
 8 chapter B of chapter 1 is amended by inserting after
 9 the time relating to section 174 the following new
 10 item:

“Sec. 174A. Temporary rules for research and experimental expenditures.”.

11 (e) EFFECTIVE DATE.—

12 (1) IN GENERAL.—Except as otherwise pro-
 13 vided in this subsection, the amendments made by
 14 this section shall apply to amounts paid or incurred
 15 in taxable years beginning after December 31, 2021.

16 (2) REPEAL OF SUPERCEDED CHANGE IN
 17 METHOD OF ACCOUNTING RULES.—The amendment
 18 made by subsection (d)(1) shall take effect as if in-
 19 cluded in Public Law 115–97.

20 (f) TRANSITION RULES.—

21 (1) ELECTION REGARDING TREATMENT AS
 22 CHANGE IN METHOD OF ACCOUNTING.—In the case
 23 of any taxpayer which (as of the date of the enact-
 24 ment of this Act) had adopted a method of account-
 25 ing provided by section 174 of the Internal Revenue

1 Code of 1986 (as in effect prior to the amendments
2 made by this section) for the taxpayer's first taxable
3 year beginning after December 31, 2021, and elects
4 the application of this paragraph—

5 (A) the amendments made by this section
6 shall be treated as a change in method of ac-
7 counting for purposes of section 481 of such
8 Code,

9 (B) such change shall be treated as initi-
10 ated by the taxpayer for the taxpayer's imme-
11 diately succeeding taxable year,

12 (C) such change shall be treated as made
13 with the consent of the Secretary, and

14 (D) such change shall be applied on a
15 modified cut-off basis, taking into account for
16 purposes of section 481(a) of such Code only
17 the capitalized expenditures which were not al-
18 lowed as an amortization deduction by reason
19 of section 174 prior to amendment by this Act
20 for the taxpayer's first taxable year beginning
21 after December 31, 2021.

22 (2) ELECTION REGARDING 10-YEAR WRITE-
23 OFF.—

24 (A) IN GENERAL.—An eligible taxpayer
25 which files, during the 1-year period beginning

1 on the date of the enactment of this Act, an
2 amended income tax return for the taxable year
3 described in subparagraph (B)(ii) may elect the
4 application of section 59(e) of the Internal Rev-
5 enue Code of 1986 with respect to qualified ex-
6 penditures described in section 59(e)(2)(B) of
7 such Code with respect to such taxable year.
8 Such election shall be filed with such amended
9 income tax return and shall be effective only to
10 the extent that such election would have been
11 effective if filed with the original income tax re-
12 turn for such taxable year.

13 (B) ELIGIBLE TAXPAYER.—For purposes
14 of subparagraph (A), the term “eligible tax-
15 payer” means any taxpayer which—

16 (i) does not elect the application of
17 paragraph (1), and

18 (ii) filed an income tax return for
19 such taxpayer’s first taxable year begin-
20 ning after December 31, 2021, before the
21 earlier of—

22 (I) the due date for such return,

23 and

24 (II) the date of the enactment of
25 this Act.

1 **SEC. 102. EXTENSION OF ALLOWANCE FOR DEPRECIATION,**
 2 **AMORTIZATION, OR DEPLETION IN DETER-**
 3 **MINING THE LIMITATION ON BUSINESS IN-**
 4 **TEREST.**

5 (a) IN GENERAL.—Section 163(j)(8)(A)(v) is amend-
 6 ed by striking “January 1, 2022” and inserting “January
 7 1, 2026”.

8 (b) EFFECTIVE DATE.—

9 (1) IN GENERAL.—Except as otherwise pro-
 10 vided in this subsection, the amendment made by
 11 this section shall apply to taxable years beginning
 12 after December 31, 2022.

13 (2) ELECTION TO APPLY EXTENSION RETRO-
 14 ACTIVELY.—In the case of a taxpayer which elects
 15 (at such time and in such manner as the Secretary
 16 may provide) the application of this paragraph,
 17 paragraph (1) shall be applied by substituting “De-
 18 cember 31, 2021” for “December 31, 2022”.

19 **SEC. 103. EXTENSION OF 100 PERCENT BONUS DEPRECIA-**
 20 **TION.**

21 (a) IN GENERAL.—Section 168(k)(6)(A) is amend-
 22 ed—

23 (1) in clause (i)—

24 (A) by striking “2023” and inserting
 25 “2026”, and

26 (B) by adding “and” at the end, and

1 (2) by striking clauses (ii), (iii), and (iv), and
2 redesignating clause (v) as clause (ii).

3 (b) PROPERTY WITH LONGER PRODUCTION PERI-
4 ODS.—Section 168(k)(6)(B) is amended—

5 (1) in clause (i)—

6 (A) by striking “2024” and inserting
7 “2027”, and

8 (B) by adding “and” at the end, and

9 (2) by striking clauses (ii), (iii), and (iv), and
10 redesignating clause (v) as clause (ii).

11 (c) PLANTS BEARING FRUITS AND NUTS.—Section
12 168(k)(6)(C) is amended—

13 (1) in clause (i)—

14 (A) by striking “2023” and inserting
15 “2026”, and

16 (B) by adding “and” at the end, and

17 (2) by striking clauses (ii), (iii), and (iv), and
18 redesignating clause (v) as clause (ii).

19 (d) EFFECTIVE DATES.—

20 (1) IN GENERAL.—Except as otherwise pro-
21 vided in this subsection, the amendments made by
22 this section shall apply to property placed in service
23 after December 31, 2022.

24 (2) PLANTS BEARING FRUITS AND NUTS.—The
25 amendments made by subsection (c) shall apply to

1 specified plants planted or grafted after December
 2 31, 2022.

3 **TITLE II—SUPPLY CHAIN** 4 **SECURITY**

5 **SEC. 201. TERMINATION OF HAZARDOUS SUBSTANCE** 6 **SUPERFUND FINANCING RATE.**

7 (a) IN GENERAL.—Section 4611 (as amended by sec-
 8 tion 13601 of Public Law 117–169) is amended by insert-
 9 ing after subsection (d) the following new subsection:

10 “(e) APPLICATION OF HAZARDOUS SUBSTANCE
 11 SUPERFUND FINANCING RATE.—The Hazardous Sub-
 12 stance Superfund financing rate under this section shall
 13 not apply after December 31, 2022.”.

14 (b) TERMINATION OF AUTHORITY FOR ADVANCES.—
 15 Section 9507(d)(3)(B) (as so amended) is amended—

16 (1) by striking “December 31, 2032” and in-
 17 serting “the date of the enactment of the Build It
 18 in America Act”, and

19 (2) by striking “on or before such date” and in-
 20 serting “as soon as practicable thereafter”.

21 (c) EFFECTIVE DATE.—

22 (1) IN GENERAL.—The amendment made by
 23 subsection (a) shall take effect on January 1, 2023.

24 (2) TERMINATION OF AUTHORITY FOR AD-
 25 VANCES.—The amendments made by subsection (b)

1 shall take effect on the date of the enactment of this
2 Act.

3 **SEC. 202. ELECTION TO DETERMINE FOREIGN INCOME**
4 **TAXES PAID OR ACCRUED TO CERTAIN WEST-**
5 **ERN HEMISPHERE COUNTRIES WITHOUT RE-**
6 **GARD TO CERTAIN REGULATIONS.**

7 (a) ELECTION WITH RESPECT TO DETERMINING
8 CERTAIN FOREIGN INCOME TAXES.—In the case of any
9 taxpayer which elects (at such time and in such manner
10 as the Secretary may provide) the application of this sub-
11 section, the determination of whether any Western Hemi-
12 sphere tax paid or accrued by such taxpayer is an income,
13 war profits, or excess profits tax for purposes of any provi-
14 sion of the Internal Revenue Code of 1986 shall be made
15 without regard to any specified regulation.

16 (b) SEPARATE ELECTION WITH RESPECT TO ALLO-
17 CATION AND APPORTIONMENT OF FOREIGN INCOME
18 TAXES RELATING TO DISREGARDED PAYMENTS FROM
19 CERTAIN DISREGARDED ENTITIES.—

20 (1) IN GENERAL.—If the owner of any specified
21 disregarded entity elects (at such time and in such
22 manner as the Secretary may provide) the applica-
23 tion of this subsection with respect to such entity,
24 then for purposes of allocating and apportioning any
25 foreign income taxes (as defined in section 986(a)(4)

1 of the Internal Revenue Code of 1986 and deter-
2 mined after the application of subsection (a) of this
3 section) paid or accrued by reason of any remittance
4 made by such entity to such owner during the appli-
5 cable period, any items of foreign gross income in-
6 cluded by reason of the receipt of such remittance
7 shall be assigned to a category based on current and
8 accumulated earnings and profits of such entity (in
9 lieu of being assigned on the basis of the tax book
10 value method described in a specified regulation).

11 (2) SPECIFIED DISREGARDED ENTITY.—For
12 purposes of this subsection, the term “specified dis-
13 regarded entity” means any entity (including any
14 trade or business) if—

15 (A) such entity is disregarded as an entity
16 separate from its owner for purposes of apply-
17 ing chapter 1 of the Internal Revenue Code of
18 1986,

19 (B) such entity is created or organized in
20 a possession of the United States or a foreign
21 country described in subsection (d)(1)(B),

22 (C) at all times after December 31, 2019
23 (or, if later, the date on which such entity is
24 created or organized) substantially all of the in-
25 come of such entity is derived from trades or

1 businesses conducted in the possession or coun-
2 try referred to in subparagraph (B), and

3 (D) at all times after the date on which
4 such entity is created or organized, such entity
5 maintains separate books and records.

6 (c) APPLICATION TO DEEMED PAID CREDIT.—In the
7 case of any tax paid or accrued by a controlled foreign
8 corporation and deemed to have been paid by a United
9 States shareholder under section 960 of the Internal Rev-
10 enue Code of 1986—

11 (1) any election under subsection (a) or (b)
12 shall be made by such controlled foreign corporation
13 and shall be binding on all United States share-
14 holders of such controlled foreign corporation, and

15 (2) the applicable period under subsection (d)
16 shall be determined with respect to the taxable years
17 of such controlled foreign corporation.

18 (d) WESTERN HEMISPHERE TAX.—For purposes of
19 this section—

20 (1) IN GENERAL.—The term “Western Hemi-
21 sphere tax” means any tax which is paid or accrued
22 for a taxable year which is in the applicable period
23 to—

24 (A) any possession of the United States, or

1 (B) any foreign country (other than Cuba
2 and Venezuela) which is located in North, Cen-
3 tral, or South America (including the West In-
4 dies).

5 (2) APPLICABLE PERIOD.—The term “applica-
6 ble period” means—

7 (A) in the case of any election made under
8 subsection (a), all taxable years beginning after
9 December 31, 2021, and before January 1,
10 2027, and

11 (B) in the case of any election made under
12 subsection (b), all taxable years beginning after
13 December 31, 2019, and before January 1,
14 2027.

15 (3) DETERMINATION BASED ON TAXABLE YEAR
16 FOR WHICH TAX ACTUALLY PAID OR ACCRUED.—
17 The determination of the taxable year for which any
18 tax is paid or accrued for purposes of determining
19 whether a foreign tax is paid or accrued for a tax-
20 able year which is in the applicable period shall be
21 made without regard to any taxable year with re-
22 spect to which such tax is deemed to have been paid
23 under section 904(c) or 960 of the Internal Revenue
24 Code of 1986.

1 (e) SPECIFIED REGULATION.—For purposes of this
2 section, the term “specified regulation” means—

3 (1) Treasury Regulations relating to “Guidance
4 Related to the Foreign Tax Credit; Clarification of
5 Foreign-Derived Intangible Income” (87 Fed. Reg.
6 276; published on January 4, 2022),

7 (2) proposed Treasury Regulations relating to
8 “Guidance Related to the Foreign Tax Credit” (87
9 Fed. Reg. 71271; published on November 22, 2022),
10 and

11 (3) any regulation or other guidance published
12 after January 4, 2022, to the extent that such regu-
13 lation or other guidance is substantially similar to,
14 or predicated upon, any portion of the regulations
15 referred to in paragraph (1) or (2).

16 In the case of any regulation or other guidance which is
17 published after the date of the enactment of this Act and
18 any portion of which is described in paragraph (3), the
19 Secretary shall identify such regulation or guidance (or
20 portion thereof) as not applying with respect to taxpayers
21 which have elected the application of subsection (a) or (b),
22 as the case may be.

23 (f) SECRETARY.—For purposes of this section, the
24 term “Secretary” means the Secretary of the Treasury or
25 the Secretary’s delegate.

1 **SEC. 203. IMPOSITION OF TAX ON THE ACQUISITION OF**
 2 **UNITED STATES AGRICULTURAL INTERESTS**
 3 **BY DISQUALIFIED PERSONS.**

4 (a) IN GENERAL.—Subtitle D is amended by insert-
 5 ing after chapter 50A the following new chapter:

6 **“CHAPTER 50B—ACQUISITION OF UNITED**
 7 **STATES AGRICULTURAL INTERESTS**
 8 **BY DISQUALIFIED PERSONS**

“Sec. 5000E. Imposition of tax on acquisition of United States agricultural in-
 terests by disqualified persons.

9 **“SEC. 5000E. IMPOSITION OF TAX ON ACQUISITION OF**
 10 **UNITED STATES AGRICULTURAL INTERESTS**
 11 **BY DISQUALIFIED PERSONS.**

12 “(a) IN GENERAL.—In the case of any acquisition of
 13 any United States agricultural interest by any disqualified
 14 person, there is hereby imposed on such person a tax equal
 15 to 60 percent of the amount paid for such interest.

16 “(b) DISQUALIFIED PERSON.—For purposes of this
 17 section—

18 “(1) IN GENERAL.—The term ‘disqualified per-
 19 son’ means—

20 “(A) any citizen of a country of concern
 21 (other than a citizen, or lawful permanent resi-
 22 dent, of the United States and other than an
 23 individual domiciled in Taiwan possessing a

1 valid identification card or number issued by
2 the government of Taiwan),

3 “(B) any entity domiciled in a country of
4 concern (other than an entity domiciled in Tai-
5 wan),

6 “(C) any country of concern and any polit-
7 ical subdivision, agency, or instrumentality
8 thereof, and

9 “(D) except as provided in paragraph (3),
10 any entity if persons described in subparagraph
11 (A), (B), or (C) (in the aggregate) 10-percent
12 control such entity.

13 “(2) COUNTRY OF CONCERN.—The term ‘coun-
14 try of concern’ means any country the government
15 of which is engaged in a long-term pattern or seri-
16 ous instances of conduct significantly adverse to the
17 national security of the United States or the security
18 and safety of United States persons, including the
19 People’s Republic of China, the Russian Federation,
20 Iran, North Korea, Cuba, and the regime of Nicolas
21 Maduro in Venezuela.

22 “(3) EXCEPTION FOR CERTAIN PUBLICLY
23 TRADED CORPORATIONS.—

24 “(A) IN GENERAL.—An entity shall not be
25 treated as described in paragraph (1)(D) if—

1 “(i) such entity is a specified publicly
2 traded corporation, or

3 “(ii) specified publicly traded corpora-
4 tions (in the aggregate) control such enti-
5 ty.

6 “(B) SPECIFIED PUBLICLY TRADED COR-
7 PORATION.—

8 “(i) IN GENERAL.—The term ‘speci-
9 fied publicly traded corporation’ means any
10 corporation if—

11 “(I) the stock of such corporation
12 is regularly traded on an established
13 securities market located in the
14 United States, and

15 “(II) specified disqualified per-
16 sons do not (in the aggregate) control
17 such corporation.

18 “(ii) SPECIFIED DISQUALIFIED PER-
19 SONS.—The term ‘specified disqualified
20 persons’ means, with respect to any cor-
21 poration referred to in clause (i), any per-
22 son which—

23 “(I) is described in subparagraph
24 (A), (B), or (C) of paragraph (1), and

1 “(II) 10-percent controls such
2 corporation.

3 “(c) PRORATED TAX ON ACQUISITIONS BY ENTITIES
4 NOT MORE THAN 50 PERCENT CONTROLLED BY DIS-
5 QUALIFIED PERSONS.—

6 “(1) IN GENERAL.—In the case of any disquali-
7 fied person described in subsection (b)(1)(D) with
8 respect to which persons described in subparagraphs
9 (A), (B), or (C) of subsection (b)(1) do not (in the
10 aggregate) control such disqualified person, sub-
11 section (a) shall be applied by substituting ‘the ap-
12 plicable percentage of the amount’ for ‘the amount’.

13 “(2) APPLICABLE PERCENTAGE.—For purposes
14 of this section, the term ‘applicable percentage’
15 means, with respect to any disqualified person to
16 which paragraph (1) applies, the highest percentage
17 which could be substituted for ‘50 percent’ both
18 places it appears in section 954(d)(3) without caus-
19 ing persons described in subparagraph (A), (B), or
20 (C) of subsection (b)(1) (in the aggregate) to control
21 (determined by taking into account such substi-
22 tution) such disqualified person.

23 “(d) CONTROL.—For purposes of this section—

24 “(1) IN GENERAL.—The term ‘control’ has the
25 meaning given such term under section 954(d)(3),

1 determined by treating the rules of section 958(a)(2)
2 as applying to both foreign and domestic corpora-
3 tions, partnerships, trusts, and estates.

4 “(2) 10-PERCENT CONTROL.—The term ‘10-
5 percent control’ means control (as defined in para-
6 graph (1)), determined by substituting ‘10 percent’
7 for ‘50 percent’ both places it appears in section
8 954(d)(3).

9 “(e) UNITED STATES AGRICULTURAL INTEREST.—
10 For purposes of this section—

11 “(1) IN GENERAL.—The term ‘United States
12 agricultural interest’ has the meaning which would
13 be given the term ‘United States real property inter-
14 est’ by section 897(c) if—

15 “(A) paragraph (1)(A)(i) were applied by
16 substituting ‘an interest in agricultural land’
17 for ‘an interest in real property’ and all that
18 follows,

19 “(B) paragraph (1)(A)(ii) were applied by
20 substituting ‘such corporation was not a United
21 States real property holding corporation at the
22 time of acquisition’ for ‘such corporation’ and
23 all that follows,

24 “(C) paragraph (1)(B) did not apply, and

1 “(D) paragraph (3) were applied by sub-
 2 stituting ‘at the time of acquisition’ for ‘at
 3 some time during the shorter of the periods de-
 4 scribed in paragraph (1)(A)(ii)’.

5 “(2) AGRICULTURAL LAND.—For purposes of
 6 paragraph (1), the term ‘agricultural land’ means—

7 “(A) agricultural land as defined in section
 8 9 of the Agricultural Foreign Investment Dis-
 9 closure Act of 1978 (7 U.S.C. 3508), and

10 “(B) land located in one or more States
 11 and used for livestock production purposes (de-
 12 termined under rules similar to the rules that
 13 apply under such section 9).”.

14 (b) REPORTING REQUIREMENTS.—

15 (1) IN GENERAL.—Subpart B of part III of
 16 subchapter A of chapter 61 is amended by adding at
 17 the end the following new section:

18 **“SEC. 6050AA. RETURNS RELATING TO ACQUISITION OF**
 19 **UNITED STATES AGRICULTURAL INTERESTS**
 20 **BY DISQUALIFIED PERSONS.**

21 “(a) IN GENERAL.—The required reporting person,
 22 with respect to any acquisition of any United States agri-
 23 cultural interest by a presumptively disqualified person to
 24 which section 5000E(a) applies, shall make a return at
 25 such time as the Secretary may provide setting forth—

1 “(1) the name, address, and TIN of such pre-
2 sumptively disqualified person,

3 “(2) a description of such United States agri-
4 cultural interest (including the street address, if ap-
5 plicable), and

6 “(3) the amount paid for such United States
7 agricultural interest.

8 “(b) STATEMENT TO BE FURNISHED TO PRESUMP-
9 TIVELY DISQUALIFIED PERSON.—Every person required
10 to make a return under subsection (a) shall furnish, at
11 such time as the Secretary may provide, to each presump-
12 tively disqualified person whose name is required to be set
13 forth in such return a written statement showing—

14 “(1) the name and address of the information
15 contact of the required reporting person, and

16 “(2) the information described in paragraphs
17 (1), (2), and (3) of subsection (a) which relates to
18 such disqualified person.

19 “(c) REQUIRED REPORTING PERSON.—For purposes
20 of this section, the term ‘required reporting person’
21 means, with respect to any acquisition of any United
22 States agricultural interest—

23 “(1) the person (including any attorney or title
24 company) responsible for closing the transaction in

1 which such United States agricultural interest is ac-
2 quired, or

3 “(2) if no one is responsible for closing such
4 transaction (or in such other cases as the Secretary
5 may provide), the transferor of such United States
6 agricultural interest.

7 “(d) PRESUMPTIVELY DISQUALIFIED PERSON.—For
8 purposes of this section, the term ‘presumptively disquali-
9 fied person’ means any person unless such person fur-
10 nishes to the required reporting person an affidavit by the
11 such person stating, under penalty of perjury, that such
12 person is not a disqualified person (as defined in section
13 5000E(b)).

14 “(e) REQUIREMENT TO REQUEST AFFIDAVIT.—If
15 the required reporting person, with respect to any acquisi-
16 tion of any United States agricultural interest, has not,
17 as of the time of such acquisition, been furnished the affi-
18 davit described in subsection (d) by the acquirer of such
19 interest, such required reporting person shall furnish to
20 such acquirer, at such time, a written statement informing
21 such acquirer of the required reporting person’s obligation
22 to make the return described in subsection (a) with respect
23 to such acquisition and including such other information
24 as the Secretary may require.

1 “(f) UNITED STATES AGRICULTURAL INTEREST.—
 2 For purposes of this section, the term ‘United States agri-
 3 cultural interest’ has the meaning given such term in sec-
 4 tion 5000E.”.

5 (2) PENALTIES.—Section 6724(d) is amend-
 6 ed—

7 (A) in paragraph (1)(B), by striking “or”
 8 at the end of clause (xxvii), by striking “and”
 9 at the end of clause (xxviii) and inserting “or”,
 10 and by adding at the end the following new
 11 clause:

12 “(xxix) section 6050AA(a) (relating to
 13 returns relating to acquisition of United
 14 States agricultural interests by disqualified
 15 persons), and”, and

16 (B) in paragraph (2), by striking “or” at
 17 the end of subparagraph (KK), by striking the
 18 period at the end of subparagraph (LL) and in-
 19 serting “, or”, and by inserting after subpara-
 20 graph (LL) the following new subparagraph:

21 “(MM) subsection (b) or (e) of section
 22 6055AA (relating to statements relating to ac-
 23 quisition of United States agricultural interests
 24 by disqualified persons).”.

25 (c) CLERICAL AMENDMENTS.—

1 (1) The table of chapters for subtitle D is
 2 amended by inserting after the item relating to
 3 chapter 50A the following new item:

“CHAPTER 50B. ACQUISITION OF UNITED STATES AGRICULTURAL
 INTERESTS BY DISQUALIFIED PERSONS.”.

4 (2) The table of sections for subpart B of part
 5 III of subchapter A of chapter 61 is amended by
 6 adding at the end the following new item:

“Sec. 6050AA. Returns relating to acquisition of United States agricultural in-
 terests by disqualified persons.”.

7 (d) EFFECTIVE DATE.—The amendments made by
 8 this section shall apply to acquisitions after the date of
 9 the enactment of this Act.

10 **TITLE III—REPEAL OF SPECIAL** 11 **INTEREST TAX PROVISIONS**

12 **SEC. 301. REPEAL OF CLEAN ELECTRICITY PRODUCTION** 13 **CREDIT.**

14 (a) IN GENERAL.—Subpart D of part IV of sub-
 15 chapter A of chapter 1 is amended by striking section 45Y
 16 (and by striking the item relating to such section in the
 17 table of sections for such subpart).

18 (b) CONFORMING AMENDMENTS.—

19 (1) Section 38(b), as amended by the preceding
 20 provisions of this Act, is amended—

21 (A) by striking paragraph (37), and

22 (B) by redesignating paragraphs (38) and

23 (39) as paragraphs (37) and (38), respectively.

1 (2) Section 6417(b), as amended by the pre-
 2 ceding provisions of this Act, is amended by striking
 3 paragraph (7) and redesignating paragraphs (8)
 4 through (11) as paragraphs (7) through (10), re-
 5 spectively.

6 (3) Section 6418(f)(1) is amended—

7 (A) in subparagraph (A), by striking
 8 clause (vii) and by redesignating clauses (viii)
 9 through (xi) as clauses (vii) through (x), respec-
 10 tively, and

11 (B) in subparagraph (B), by striking “(v),
 12 or (vii)” and inserting “or (v)”.

13 (c) EFFECTIVE DATE.—The amendments made by
 14 this section shall take effect as if included in section
 15 13701 of Public Law 117–169.

16 **SEC. 302. REPEAL OF CLEAN ELECTRICITY INVESTMENT**
 17 **CREDIT.**

18 (a) IN GENERAL.—Subpart E of part IV of sub-
 19 chapter A of chapter 1 is amended by striking section 48E
 20 (and by striking the item relating to such section in the
 21 table of sections for such subpart).

22 (b) CONFORMING AMENDMENTS.—

23 (1) Section 46, as amended by Public Law
 24 117–169, is amended—

1 (A) in paragraph (5), by adding “and” at
2 the end,

3 (B) in paragraph (6), by striking “, and”
4 and inserting a period, and

5 (C) by striking paragraph (7).

6 (2) Section 48(e)(4)(D) is amended by striking
7 “except as provided in section 48E(h)(4)(D)(ii)”.

8 (3) Section 48C(f) is amended by striking
9 “48E,”.

10 (4) Section 49(a)(1)(C), as amended by Public
11 Law 117–169, is amended—

12 (A) by adding “and” at the end of clause
13 (v),

14 (B) by striking the comma at the end of
15 clause (vi) and inserting a period, and

16 (C) by striking clauses (vii) and (viii).

17 (5) Section 50(a)(2)(E), as amended by Public
18 Law 117–169, is amended by striking “48D(b)(5),
19 or 48E(e)” and inserting “or 48D(b)(5)”.

20 (6) Section 50(c)(3), as amended by Public
21 Law 117–169, is amended by striking “or clean elec-
22 tricity investment credit”.

23 (7) Section 168(e)(3)(B), as amended by Public
24 Law 117–169, is amended—

1 (A) in clause (vi)(III), by inserting “and”
 2 at the end,

3 (B) in clause (vii), by striking “, and” and
 4 inserting a period, and

5 (C) by striking clause (viii).

6 (8) Section 6417(b), as amended by the pre-
 7 ceding provisions of this Act, is amended by striking
 8 paragraph (9).

9 (9) Section 6418(f)(1)(A), as amended by the
 10 preceding provisions of this Act, is amended by
 11 striking clause (ix).

12 (c) EFFECTIVE DATE.—The amendments made by
 13 this section shall take effect as if included in section
 14 13702 of Public Law 117–169.

15 **SEC. 303. MODIFICATION OF CLEAN VEHICLE CREDIT.**

16 (a) PER VEHICLE DOLLAR LIMITATION.—Section
 17 30D(b) is amended by striking paragraphs (2) and (3) and
 18 inserting the following:

19 “(2) BASE AMOUNT.—The amount determined
 20 under this paragraph is \$2,500.

21 “(3) BATTERY CAPACITY.—In the case of a ve-
 22 hicle which draws propulsion energy from a battery
 23 with not less than 5 kilowatt hours of capacity, the
 24 amount determined under this paragraph is \$417,
 25 plus \$417 for each kilowatt hour of capacity in ex-

cess of 5 kilowatt hours. The amount determined under this paragraph shall not exceed \$5,000.”.

(b) FINAL ASSEMBLY.—Section 30D(d) is amended—

(1) in paragraph (1), by striking subparagraph (G), and

(2) by striking paragraph (5).

(c) ADDITIONAL MODIFICATIONS TO VEHICLE DEFINITION.—

(1) IN GENERAL.—Section 30D(d), as amended by subsection (b), is amended—

(A) in the heading, by striking “CLEAN” and inserting “QUALIFIED PLUG-IN ELECTRIC DRIVE MOTOR”,

(B) in paragraph (1)—

(i) in the matter preceding subparagraph (A), by striking “clean” and inserting “qualified plug-in electric drive motor”,

(ii) in subparagraph (C), by striking “qualified” before “manufacturer”,

(iii) in subparagraph (E), by adding “and” at the end,

(iv) in subparagraph (F)—

(I) in clause (i), by striking “7” and inserting “4”, and

1 (II) in clause (ii), by striking the
2 comma at the end and inserting a pe-
3 riod, and

4 (v) by striking subparagraph (H),
5 (C) in paragraph (3)—

6 (i) in the heading, by striking “QUALI-
7 FIED MANUFACTURER” and inserting
8 “MANUFACTURER”, and

9 (ii) by striking “The term ‘qualified
10 manufacturer’ means” and all that follows
11 through the period and inserting “The
12 term ‘manufacturer’ has the meaning given
13 such term in regulations prescribed by the
14 Administrator of the Environmental Pro-
15 tection Agency for purposes of the admin-
16 istration of title II of the Clean Air Act
17 (42 U.S.C. 7521 et seq.).”, and

18 (D) by striking paragraph (6).

19 (2) CONFORMING AMENDMENTS.—Section 30D
20 is amended—

21 (A) in subsection (a), by striking “new
22 clean vehicle” and inserting “new qualified
23 plug-in electric drive motor vehicle”, and

1 (B) in subsection (b)(1), by striking “new
2 clean vehicle” and inserting “new qualified
3 plug-in electric drive motor vehicle”.

4 (d) CRITICAL MINERAL AND BATTERY COMPONENT
5 REQUIREMENT MODIFICATIONS.—

6 (1) IN GENERAL.—Section 30D(e), as added by
7 Public Law 117–169, is amended by striking para-
8 graphs (1) and (2), by redesignating paragraph (3)
9 as paragraph (4), and by inserting before paragraph
10 (4) (as so redesignated) the following new para-
11 graphs:

12 “(1) CRITICAL MINERALS REQUIREMENT.—No
13 credit shall be allowed under this section with re-
14 spect to any vehicle unless, with respect to the bat-
15 tery from which the electric motor of such vehicle
16 draws electricity, the percentage of the value of the
17 applicable critical minerals (as defined in section
18 45X(c)(6)) contained in such battery that were—

19 “(A) extracted or processed—

20 “(i) in the United States, or

21 “(ii) in any country with which the
22 United States has a free trade agreement
23 in effect, or

24 “(B) recycled in North America,

1 is equal to or greater than 80 percent (as certified
2 by the manufacturer, in such form or manner as
3 prescribed by the Secretary). For purposes of sub-
4 paragraph (A)(ii), the term ‘free trade agreement’
5 means an international agreement approved by Con-
6 gress that eliminates duties and other restrictive
7 regulations of commerce on substantially all the
8 trade between the United States and one or more
9 other countries.

10 “(2) BATTERY COMPONENTS.—No credit shall
11 be allowed under this section with respect to any ve-
12 hicle unless, with respect to the battery from which
13 the electric motor of such vehicle draws electricity,
14 all of the components contained in such battery were
15 manufactured or assembled in North America (as
16 certified by the manufacturer, in such form or man-
17 ner as prescribed by the Secretary).

18 “(3) RESTRICTION ON FOREIGN ENTITIES OF
19 CONCERN.—No credit shall be allowed under this
20 section which respect to any vehicle placed in service
21 after December 31, 2024, if any of the applicable
22 critical minerals contained in the battery of such ve-
23 hicle (as described in paragraph (1)) were extracted,
24 processed, or recycled by a foreign entity of concern
25 (as defined in section 40207(a)(5) of the Infrastruc-

1 ture Investment and Jobs Act (42 U.S.C.
2 18741(a)(5))).”.

3 (2) CONFORMING AMENDMENT.—Section
4 30D(d) is amended by striking paragraph (7).

5 (e) TRANSFER OF CREDIT REPEALED.—

6 (1) IN GENERAL.—Section 30D is amended by
7 striking subsection (g).

8 (2) CONFORMING AMENDMENTS REVERSED.—
9 Section 30D(f) is amended—

10 (A) by inserting after paragraph (2) the
11 following:

12 “(3) PROPERTY USED BY TAX-EXEMPT ENTITY.—In
13 the case of a vehicle the use of which is described in para-
14 graph (3) or (4) of section 50(b) and which is not subject
15 to a lease, the person who sold such vehicle to the person
16 or entity using such vehicle shall be treated as the tax-
17 payer that placed such vehicle in service, but only if such
18 person clearly discloses to such person or entity in a docu-
19 ment the amount of any credit allowable under subsection
20 (a) with respect to such vehicle (determined without re-
21 gard to subsection (c)). For purposes of subsection (c),
22 property to which this paragraph applies shall be treated
23 as of a character subject to an allowance for deprecia-
24 tion.”, and

1 (B) in paragraph (8), by striking “, includ-
2 ing any vehicle with respect to which the tax-
3 payer elects the application of subsection (g)”.

4 (f) REINSTATEMENT OF LIMITATION ON NUMBER OF
5 VEHICLES ELIGIBLE FOR CREDIT.—Section 30D is
6 amended by inserting after subsection (f) the following:

7 “(g) LIMITATION ON NUMBER OF NEW QUALIFIED
8 PLUG-IN ELECTRIC DRIVE MOTOR VEHICLES ELIGIBLE
9 FOR CREDIT.—

10 “(1) IN GENERAL.—In the case of a new quali-
11 fied plug-in electric drive motor vehicle sold during
12 the phaseout period, only the applicable percentage
13 of the credit otherwise allowable under subsection
14 (a) shall be allowed.

15 “(2) PHASEOUT PERIOD.—For purposes of this
16 subsection, the phaseout period is the period begin-
17 ning with the second calendar quarter following the
18 calendar quarter which includes the first date on
19 which the number of new qualified plug-in electric
20 drive motor vehicles manufactured by the manufac-
21 turer of the vehicle referred to in paragraph (1) sold
22 for use in the United States after December 31,
23 2009, is at least 200,000.

24 “(3) APPLICABLE PERCENTAGE.—For purposes
25 of paragraph (1), the applicable percentage is—

1 “(A) 50 percent for the first 2 calendar
2 quarters of the phaseout period,

3 “(B) 25 percent for the 3rd and 4th cal-
4 endar quarters of the phaseout period, and

5 “(C) 0 percent for each calendar quarter
6 thereafter.

7 “(4) CONTROLLED GROUPS.—Rules similar to
8 the rules of section 30B(f)(4) shall apply for pur-
9 poses of this subsection.”.

10 (g) TERMINATION REPEALED.—Section 30D is
11 amended by striking subsection (h).

12 (h) ADDITIONAL CONFORMING AMENDMENTS.—

13 (1) The heading of section 30D is amended by
14 striking “**CLEAN VEHICLE CREDIT**” and inserting
15 “**NEW QUALIFIED PLUG-IN ELECTRIC DRIVE**
16 **MOTOR VEHICLES**”.

17 (2) Section 30B(h)(8) is amended by inserting
18 “, except that no benefit shall be recaptured if such
19 property ceases to be eligible for such credit by rea-
20 son of conversion to a qualified plug-in electric drive
21 motor vehicle”, before the period at the end.

22 (3) Section 38(b)(30) is amended by striking
23 “clean” and inserting “qualified plug-in electric
24 drive motor”.

1 (4) The table of sections for subpart B of part
 2 IV of subchapter A of chapter 1 is amended by
 3 striking the item relating to section 30D and insert-
 4 ing after the item relating to section 30C the fol-
 5 lowing item:

“Sec. 30D. New qualified plug-in electric drive motor vehicles.”

6 (i) GROSS UP REPEALED.—Section 13401 of Public
 7 Law 117–169 is amended by striking subsection (j).

8 (j) EFFECTIVE DATES.—

9 (1) IN GENERAL.—Except as otherwise pro-
 10 vided in this subsection or subsection (k), the
 11 amendments made by this section shall apply to ve-
 12 hicles placed in service after the date of the intro-
 13 duction of this Act.

14 (2) FINAL ASSEMBLY AND MANUFACTURER
 15 LIMITATION.—The amendments made by subsections
 16 (b) and (f) shall apply to vehicles sold after the date
 17 of the introduction of this Act. Notwithstanding the
 18 preceding sentence, the phaseout period (as defined
 19 in section 30D(g) of the Internal Revenue Code of
 20 1986, as amended by this section) shall be deter-
 21 mined by taking into account all vehicles described
 22 in section 30D(g) of such Code (as so amended).

23 (k) TRANSITION RULE.—Notwithstanding subsection
 24 (j) (other than the last sentence of subsection (j)(2)), the

1 amendments made by this section shall not apply with re-
 2 spect to any vehicle which is—

3 (1) acquired by the taxpayer pursuant to a
 4 written binding contract that was in effect on the
 5 date of the introduction of this Act, and

6 (2) placed in service before the date which is 1
 7 year after the date of the introduction of this Act.

8 (l) COORDINATION WITH PROVISIONS WHICH HAVE
 9 NOT TAKEN EFFECT.—

10 (1) TRANSFER OF CREDIT.—Notwithstanding
 11 subsection (k)(4) of section 13401 of Public Law
 12 117–169, the amendments made by subsection (g) of
 13 such section shall not apply.

14 (2) PER VEHICLE DOLLAR LIMITS AND RE-
 15 LATED REQUIREMENTS.—Notwithstanding sub-
 16 section (k)(3) of section 13401 of Public Law 117–
 17 169, the amendments made by subsection (a) of
 18 such section shall not apply unless the guidance re-
 19 ferred to in such subsection (k)(3) is issued on or
 20 before the date of the introduction of this Act.

21 **SEC. 304. REPEAL OF CREDIT FOR PREVIOUSLY-OWNED**
 22 **CLEAN VEHICLES.**

23 (a) IN GENERAL.—Subpart A of part IV of sub-
 24 chapter A of chapter 1 is amended by striking section 25E

1 (and by striking the item relating to such section in the
2 table of sections for such subpart).

3 (b) CONFORMING AMENDMENT.—Section 6213(g)(2)
4 is amended—

5 (1) in subparagraph (T), by adding “and” at
6 the end,

7 (2) by striking subparagraph (U), and

8 (3) by redesignating subparagraph (V) as sub-
9 paragraph (U).

10 (c) EFFECTIVE DATE.—The amendments made by
11 this section shall apply to vehicles acquired after the date
12 of the introduction of this Act.

13 (d) TRANSITION RULE.—Notwithstanding subsection
14 (c), the amendments made by this section shall not apply
15 with respect to any vehicle which is—

16 (1) acquired by the taxpayer pursuant to a
17 written binding contract that was in effect on the
18 date of the introduction of this Act, and

19 (2) placed in service before the date which is 1
20 year after the date of the introduction of this Act.

21 (e) COORDINATION WITH PROVISIONS WHICH HAVE
22 NOT TAKEN EFFECT.—Notwithstanding subsection (c)(2)
23 of section 13402 of Public Law 117–169, the amendments
24 made by subsection (b) of such section shall not apply.

1 **SEC. 305. REPEAL OF CREDIT FOR QUALIFIED COMMER-**
2 **CIAL CLEAN VEHICLES.**

3 (a) IN GENERAL.—Subpart D of part IV of sub-
4 chapter A of chapter 1 is amended by striking section 45W
5 (and by striking the item relating to such section in the
6 table of sections for such subpart).

7 (b) CONFORMING AMENDMENTS.—

8 (1) Section 38(b) is amended—

9 (A) by striking paragraph (37), and

10 (B) by redesignating paragraphs (38),
11 (39), (40), and (41) as paragraphs (37), (38),
12 (39), and (40), respectively.

13 (2) Section 6213(g)(2), as amended by the pre-
14 ceding provisions of this Act, is amended—

15 (A) in subparagraph (S), by adding “and”
16 at the end,

17 (B) in subparagraph (T), by striking “,
18 and” and inserting a period, and

19 (C) by striking subparagraph (U).

20 (3) Section 6417(b) is amended by striking
21 paragraph (6) and redesignating paragraphs (7)
22 through (12) as paragraphs (6) through (11), re-
23 spectively.

24 (c) EFFECTIVE DATE.—The amendments made by
25 this subsection shall apply to vehicles acquired after the
26 date of the introduction of this Act.

1 (d) TRANSITION RULE.—Notwithstanding subsection
2 (c), the amendments made by this section shall not apply
3 with respect to any vehicle which is—

4 (1) acquired by the taxpayer pursuant to a
5 written binding contract that was in effect on the
6 date of the introduction of this Act, and

7 (2) placed in service before the date which is 1
8 year after the date of the introduction of this Act.

○