To amend the Internal Revenue Code of 1986 to encourage alternative energy investments and job creation.
A BILL

To amend the Internal Revenue Code of 1986 to encourage alternative energy investments and job creation.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE, ETC.

(a) SHORT TITLE.—This Act may be cited as the “New Alternative Transportation to Give Americans Solutions Act of 2011”.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

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

Sec. 1. Short title, etc.

TITLE I—PROMOTE THE PURCHASE AND USE OF NGVS WITH AN EMPHASIS ON HEAVY-DUTY VEHICLES AND FLEET VEHICLES

Sec. 101. Modification of alternative fuel credit.
Sec. 102. Extension and modification of new qualified alternative fuel motor vehicle credit.
Sec. 103. Allowance of vehicle and infrastructure credits against regular and minimum tax and transferability of credits.
Sec. 104. Modification of credit for purchase of vehicles fueled by compressed natural gas or liquefied natural gas.
Sec. 105. Modification of definition of new qualified alternative fuel motor vehicle.
Sec. 106. Providing for the treatment of property purchased by Indian tribal governments.
TITLE II—PROMOTE PRODUCTION OF NGVS BY ORIGINAL EQUIPMENT MANUFACTURERS

Sec. 201. Credit for producing vehicles fueled by natural gas or liquified natural gas.

TITLE III—INCENTIVIZE THE INSTALLATION OF NATURAL GAS FUEL PUMPS

Sec. 301. Extension and modification of alternative fuel vehicle refueling property credit.
Sec. 302. Increase in credit for certain alternative fuel vehicle refueling properties.

TITLE IV—NATURAL GAS VEHICLES

Sec. 401. Grants for natural gas vehicles research and development.
Sec. 402. Sense of the Congress regarding EPA certification of NGV retrofit kits.
Sec. 403. Sense of the Congress regarding EPA and NHTSA regulation of medium- and heavy-duty engines and vehicles.

TITLE I—PROMOTE THE PURCHASE AND USE OF NGVS WITH AN EMPHASIS ON HEAVY-DUTY VEHICLES AND FLEET VEHICLES

SEC. 101. MODIFICATION OF ALTERNATIVE FUEL CREDIT.

(a) Alternative Fuel Credit.—Paragraph (5) of section 6426(d) (relating to alternative fuel credit) is amended by inserting “, and December 31, 2016, in the case of any sale or use involving compressed or liquefied natural gas” after “hydrogen”.

(b) Alternative Fuel Mixture Credit.—Paragraph (3) of section 6426(e) is amended by inserting “, and December 31, 2016, in the case of any sale or use
involving compressed or liquefied natural gas” after “hydrogen”.

(c) Payments Relating to Alternative Fuel or Alternative Fuel Mixtures.—Paragraph (6) of section 6427(e) is amended—

(1) in subparagraph (C)—

(A) by striking “subparagraph (D)” and inserting “subparagraphs (D) and (E)”, and

(B) by striking “and” at the end thereof,

(2) by striking the period at the end of subparagraph (D) and inserting “, and”, and

(3) by inserting at the end the following:

“(E) any alternative fuel or alternative fuel mixture (as so defined) involving compressed or liquefied natural gas sold or used after December 31, 2016.”.

(d) Payments Relating to Indian Tribes.—

Paragraph (1) of section 6427(k)(A) is amended by inserting striking “or” at the end and inserting “an Indian Tribal Government, or”.

(e) Effective Date.—The amendments made by this section shall apply to fuel sold or used after the date of the enactment of this Act.
SEC. 102. EXTENSION AND MODIFICATION OF NEW QUALIFIED ALTERNATIVE FUEL MOTOR VEHICLE CREDIT.

(a) In general.—Paragraph (4) of section 30B(k) (relating to termination) is amended by inserting “(December 31, 2016, in the case of a vehicle powered by compressed or liquefied natural gas)” before the period at the end.

(b) Effective date.—The amendment made by subsection (a) shall apply to property placed in service after the date of the enactment of this Act.

SEC. 103. ALLOWANCE OF VEHICLE AND INFRASTRUCTURE CREDITS AGAINST REGULAR AND MINIMUM TAX AND TRANSFERABILITY OF CREDITS.

(a) Business credits.—Subparagraph (B) of section 38(c)(4) is amended by striking “and” at the end of clause (viii), by striking the period at the end of clause (ix) and inserting a comma, and by inserting after clause (ix) the following new clauses:

“(x) the portion of the credit determined under section 30B which is attributable to the application of subsection (e)(3) thereof with respect to new qualified alternative fuel motor vehicles which are capable of being powered by compressed or liquefied natural gas, and
“(xi) the portion of the credit determined under section 30C which is attributable to the application of subsection (b) thereof with respect to refueling property which is used to store and or dispense compressed or liquefied natural gas.”

(b) Personal Credits.—

(1) New qualified alternative fuel motor vehicles.—Subsection (g) of section 30B is amended by adding at the end the following new paragraph:

“(3) Special rule relating to certain new qualified alternative fuel motor vehicles.—In the case of the portion of the credit determined under subsection (a) which is attributable to the application of subsection (e)(3) with respect to new qualified alternative fuel motor vehicles which are capable of being powered by compressed or liquefied natural gas—

“(A) paragraph (2) shall (after the application of paragraph (1)) be applied separately with respect to such portion, and

“(B) in lieu of the limitation determined under paragraph (2), such limitation shall not exceed the excess (if any) of—
“(i) the sum of the regular tax liability (as defined in section 26(b)) plus the tentative minimum tax for the taxable year, reduced by “(ii) the sum of the credits allowable under subpart A and sections 27 and 30.”.

(2) ALTERNATIVE FUEL VEHICLE REFUELING PROPERTIES.—Subsection (d) of section 30C is amended by adding at the end the following new paragraph:

“(3) SPECIAL RULE RELATING TO CERTAIN ALTERNATIVE FUEL VEHICLE REFUELING PROPERTIES.—In the case of the portion of the credit determined under subsection (a) with respect to refueling property which is used to store and or dispense compressed or liquefied natural gas and which is attributable to the application of subsection (b)—

“(A) paragraph (2) shall (after the application of paragraph (1)) be applied separately with respect to such portion, and

“(B) in lieu of the limitation determined under paragraph (2), such limitation shall not exceed the excess (if any) of—

“(i) the sum of the regular tax liability (as defined in section 26(b)) plus the
tentative minimum tax for the taxable year, reduced by

“(ii) the sum of the credits allowable under subpart A and sections 27, 30, and the portion of the credit determined under section 30B which is attributable to the application of subsection (e)(3) thereof.”.

(c) CREDITS MAY BE TRANSFERRED.—

(1) VEHICLE CREDITS.—Subsection (h) of section 30B is amended by adding at the end the following new paragraph:

“(11) Transferability of credit.—

“(A) In general.—Except as provided in subparagraph (B), a taxpayer who places in service any new qualified alternative fuel motor vehicle which is capable of being powered by compressed or liquefied natural gas may transfer the credit allowed under this section by reason of subsection (e) with respect to such vehicle through an assignment to the manufacturer, seller or lessee of such vehicle. Such transfer may be revoked only with the consent of the Secretary.

“(B) Denial of double benefit.—No assignment of a credit allowed under this sec-
tion by reason of subsection (e) with respect to any new qualified alternative fuel motor vehicle which is capable of being powered by compressed or liquefied natural gas may be made under subparagraph (A) to a taxpayer who has claimed a credit under section 54G with respect to the financing of such vehicle.

“(C) REGULATIONS.—The Secretary shall prescribe such regulations as necessary to ensure that any credit transferred under subparagraph (A) is claimed once and not reassigned by such other person.”.

(2) INFRASTRUCTURE CREDIT.—Subsection (e) of section 30C is amended by adding at the end the following new paragraph:

“(7) TRANSFERABILITY OF CREDIT.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), a taxpayer who places in service any qualified alternative fuel vehicle re-fueling property relating to compressed or liquefied natural gas may transfer the credit allowed under this section with respect to such property through an assignment to the manufacturer, seller or lessee of such property. Such transfer
may be revoked only with the consent of the Secretary.

“(B) Denial of Double Benefit.—No assignment of a credit allowed under this section by reason of subsection (e) with respect to any qualified alternative fuel vehicle refueling property relating to compressed or liquefied natural gas may be made under subparagraph (A) to a taxpayer who has claimed a credit under section 54G with respect to the financing of such property.

“(C) Regulations.—The Secretary shall prescribe such regulations as necessary to ensure that any credit transferred under subparagraph (A) is claimed once and not reassigned by such other person.”.

(d) Effective Date.—The amendments made by this section shall apply with respect to property placed in service after the date of the enactment of this Act.

SEC. 104. MODIFICATION OF CREDIT FOR PURCHASE OF VEHICLES FUELED BY COMPRESSED NATURAL GAS OR LIQUEFIED NATURAL GAS.

(a) Increase in Credit.—Paragraph (2) of section 30B(e) (relating to applicable percentage) is amended to read as follows:
“(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage with respect to any new qualified alternative fuel motor vehicle is—

“(A) except as provided in subparagraphs (B) and (C)—

“(i) 50 percent, plus

“(ii) 30 percent, if such vehicle—

“(I) has received a certificate of conformity under the Clean Air Act and meets or exceeds the most stringent standard available for certification under the Clean Air Act for that make and model year vehicle (other than a zero emission standard), or

“(II) has received an order certifying the vehicle as meeting the same requirements as vehicles which may be sold or leased in California and meets or exceeds the most stringent standard available for certification under the State laws of California (enacted in accordance with a waiver granted under section 209(b) of the Clean Air Act).
Act) for that make and model year vehicle (other than a zero emission standard),

“(B) 80 percent, in the case of dedicated vehicles that are only capable of operating on compressed or liquefied natural gas, dual-fuel vehicles that are only capable of operating on a mixture of no less than 90 percent compressed or liquefied natural gas, and a bi-fuel vehicle that is capable of operating a minimum of 85 percent of its total range on compressed or liquefied natural gas, and

“(C) 50 percent, in the case of vehicles described subclause (II) or (III) of subsection (e)(4)(A)(i) and which are not otherwise described in subparagraph (B).

For purposes of the preceding sentence, in the case of any new qualified alternative fuel motor vehicle which weighs more than 14,000 pounds gross vehicle weight rating, the most stringent standard available shall be such standard available for certification on the date of the enactment of the Energy Tax Incentives Act of 2005.”.

(b) INCREASED INCENTIVE FOR NATURAL GAS VEHICLES.—Subsection (e) of section 30B (relating to new
qualified alternative fuel motor vehicle credit) is amended
by adding at the end the following new paragraph:

“(6) CREDIT VALUES FOR NATURAL GAS VEHICLES.—In the case of new qualified alternative fuel
motor vehicles with respect to vehicles powered by
compressed or liquefied natural gas, the maximum
tax credit value shall be—

“(A) $7,500 if such vehicle has a gross ve-
hicle weight rating of not more than 8,500
pounds,

“(B) $16,000 if such vehicle has a gross
vehicle weight rating of more than 8,500
pounds but not more than 14,000 pounds,

“(C) $40,000 if such vehicle has a gross
vehicle weight rating of more than 14,000
pounds but not more than 26,000 pounds, and

“(D) $64,000 if such vehicle has a gross
vehicle weight rating of more than 26,000
pounds.”.

(c) EFFECTIVE DATE.—The amendment made by
this section shall apply to property placed in service after
the date of the enactment of this Act.
SEC. 105. MODIFICATION OF DEFINITION OF NEW QUALIFIED ALTERNATIVE FUEL MOTOR VEHICLE.

(a) IN GENERAL.—Clause (i) of section 30B(e)(4)(A) (relating to definition of new qualified alternative fuel motor vehicle) is amended to read as follows:

“(i) which—

“(I) is a dedicated vehicle that is only capable of operating on an alternative fuel,

“(II) is a bi-fuel vehicle that is capable of operating on compressed or liquefied natural gas and gasoline or diesel fuel, or

“(III) is a duel-fuel vehicle that is capable of operating on a mixture of compressed or liquefied natural gas and gasoline or diesel fuel.”.

(b) CONVERSIONS AND REPowers.—Paragraph (4) of section 30B(e) is amended by adding at the end the following new subparagraph:

“(C) CONVERSIONS AND REPowers.—

“(i) IN GENERAL.—The term ‘new qualified alternative fuel motor vehicle’ includes the conversion or repower of a new or used vehicle so that it is capable of operating on an alternative fuel as it was not
previously capable of operating on an alternative fuel.

“(ii) Treatment as new.—A vehicle which has been converted to operate on an alternative fuel shall be treated as new on the date of such conversion for purposes of this section.

“(iii) Rule of construction.—In the case of a used vehicle which is converted or repowered, nothing in this section shall be construed to require that the motor vehicle be acquired in the year the credit is claimed under this section with respect to such vehicle.”.

(c) Effective Date.—The amendments made by this section shall apply to property placed in service after the date of the enactment of this Act.

SEC. 106. PROVIDING FOR THE TREATMENT OF PROPERTY PURCHASED BY INDIAN TRIBAL GOVERNMENTS.

(a) In General.—Paragraph (6) of section 30B(h) and paragraph (2) of section 30C(e) are both amended by inserting “, or an Indian Tribal Government” after “section 50(b)”.

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(b) Effective Date.—The amendments made by this section shall apply to property placed in service after the date of the enactment of this Act.

TITLE II—PROMOTE PRODUCTION OF NGVS BY ORIGINAL EQUIPMENT MANUFACTURERS

SEC. 201. CREDIT FOR PRODUCING VEHICLES FUELED BY NATURAL GAS OR LIQUIFIED NATURAL GAS.

(a) In General.—Subpart D of part IV of subchapter A of chapter 1 (relating to business-related credits) is amended by inserting after section 45R the following new section:

“SEC. 45S. PRODUCTION OF VEHICLES FUELED BY NATURAL GAS OR LIQUIFIED NATURAL GAS.

“(a) In General.—For purposes of section 38, in the case of a taxpayer who is an original manufacturer of natural gas vehicles, the natural gas vehicle credit determined under this section for any taxable year with respect to each eligible natural gas vehicle produced by the taxpayer during such year is an amount equal to the lesser of—

“(1) 10 percent of the manufacturer’s basis in such vehicle, or

“(2) $4,000.
“(b) AGGREGATE CREDIT ALLOWED.—The aggregate amount of credit allowed under subsection (a) with respect to a taxpayer for any taxable year shall not exceed $200,000,000 reduced by the amount of the credit allowed under subsection (a) to the taxpayer (or any predecessor) for all prior taxable years.

“(c) DEFINITIONS.—For the purposes of this section—

“(1) ELIGIBLE NATURAL GAS VEHICLE.—The term ‘eligible natural gas vehicle’ means a motor vehicle (as defined in section 30B(h)(1)) that is capable of operating on natural gas and is described in 30B(e)(4)(A).

“(2) MANUFACTURER.—The term ‘manufacturer’ has the meaning given such term in regulations prescribed by the Administrator of the Environmental Protection Agency for purposes of title II of the Clean Air Act (42 U.S.C. 7521 et seq.).

“(d) SPECIAL RULES.—For purposes of this section—

“(1) IN GENERAL.—Rules similar to the rules of subsections (c), (d), and (e) of section 52 shall apply.

“(2) CONTROLLED GROUPS.—
“(A) IN GENERAL.—All persons treated as a single employer under subsection (a) or (b) of section 52 or subsection (m) or (o) of section 414 shall be treated as a single producer.

“(B) INCLUSION OF FOREIGN CORPORATIONS.—For purposes of subparagraph (A), in applying subsections (a) and (b) of section 52 to this section, section 1563 shall be applied without regard to subsection (b)(2)(C) thereof.

“(C) VERIFICATION.—No amount shall be allowed as a credit under subsection (a) with respect to which the taxpayer has not submitted such information or certification as the Secretary, in consultation with the Secretary of Energy, determines necessary.

“(e) TERMINATION.—This section shall not apply to any vehicle produced after December 31, 2016.”.

(b) CREDIT TO BE PART OF BUSINESS CREDIT.—Section 38(b) is amended by striking “plus” at the end of paragraph (35), by striking the period at the end of paragraph (36) and inserting “, plus”, and by adding at the end the following:

“(37) the natural gas vehicle credit determined under section 45R(a).”.

•HR 1380 IH
(c) Conforming Amendment.—The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 45R the following new item:

“Sec. 45S. Production of vehicles fueled by natural gas or liquefied natural gas.”

(d) Effective Date.—The amendments made by this section shall apply to vehicles produced after December 31, 2011.

SEC. 202. ADDITIONAL VEHICLES QUALIFYING FOR THE ADVANCED TECHNOLOGY VEHICLES MANUFACTURING INCENTIVE PROGRAM.

(a) In General.—Notwithstanding any other provision of law, a covered vehicle (as defined in subsection (b)) shall be considered an advanced technology vehicle for purposes of the advanced technology vehicle incentive program established under section 136 of the Energy Independence and Security Act of 2007 (42 U.S.C. 17013), and manufacturers and component suppliers of such covered vehicles shall be eligible for an award under such section.

(b) Definitions.—As used in this section—

(1) the term “covered vehicle” means a light-duty vehicle or a medium-duty or heavy-duty truck or bus that is only capable of operating on compressed or liquefied natural gas, a bi-fueled motor
vehicle that is capable of achieving a minimum of 85 percent of its total range with compressed or liquefied natural gas, or a dual-fuel vehicle that operates on a mixture of natural gas and gasoline or diesel fuel but is not capable of operating on a mixture of less than 75 percent natural gas;

(2) the term “bi-fuel vehicle” means a vehicle that is capable of operating on compressed or liquefied natural gas and gasoline or diesel fuel; and

(3) the term “dual-fuel vehicle” means a vehicle that is capable of operating on a mixture of compressed or liquefied natural gas and gasoline or diesel fuel.

TITLE III—INCENTIVIZE THE INSTALLATION OF NATURAL GAS FUEL PUMPS

SEC. 301. EXTENSION AND MODIFICATION OF ALTERNATIVE FUEL VEHICLE REFUELING PROPERTY CREDIT.

(a) In General.—Subsection (g) of section 30C is amended by striking “and” at the end of paragraph (1), by redesignating paragraph (2) as paragraph (3), and by inserting after paragraph (1) the following new paragraph:
“(2) in the case of property relating to compressed or liquefied natural gas, after December 31, 2016, and”.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to property placed in service after the date of the enactment of this Act.

SEC. 302. INCREASE IN CREDIT FOR CERTAIN ALTERNATIVE FUEL VEHICLE REFUELING PROPERTIES.

(a) IN GENERAL.—Subsection (b) of section 30C is amended to read as follows:

“(b) LIMITATION.—The credit allowed under subsection (a) with respect to all qualified alternative fuel vehicle refueling property placed in service by the taxpayer during the taxable year at a location shall not exceed—

“(1) except as provided in paragraph (2), $30,000 in the case of a property of a character subject to an allowance for depreciation,

“(2) in the case of compressed natural gas property and liquefied natural gas property which is of a character subject to an allowance for depreciation, the lesser of—

“(A) 50 percent of such cost, or

“(B) $100,000, and

“(3) $2,000 in any other case.”.
(b) Effective Date.—The amendment made by this section shall apply to property placed in service in taxable years beginning after December 31, 2011.

TITLE IV—NATURAL GAS VEHICLES

SEC. 401. GRANTS FOR NATURAL GAS VEHICLES RESEARCH AND DEVELOPMENT.

(a) Research, Development and Demonstration Programs.—The Secretary shall provide funding to improve the performance and efficiency and integration of natural gas powered motor vehicles and heavy-duty on-road vehicles as part of any programs funded pursuant to section 911 of the Energy Policy Act of 2005 (42 U.S.C. 16191) and also with respect to funding for heavy-duty engines pursuant to section 754 of the Energy Policy Act of 2005 (42 U.S.C. 16102).

(b) In General.—The Secretary of Energy may make grants to original equipment manufacturers of light-duty and heavy-duty natural gas vehicles for the development of engines that reduce emissions, improve performance and efficiency, and lower cost.

SEC. 402. SENSE OF THE CONGRESS REGARDING EPA CERTIFICATION OF NGV RETROFIT KITS.

It is the sense of the Congress that the Environmental Protection Agency should streamline the process
for certification of natural gas vehicle retrofit kits to pro-
mote energy security while still fulfilling the mission of
the Clean Air Act.

SEC. 403. SENSE OF THE CONGRESS REGARDING EPA AND
NHTSA REGULATION OF MEDIUM- AND
HEAVY-DUTY ENGINES AND VEHICLES.

It is the sense of the Congress that the Environ-
mental Protection Agency new fuel economy and green-
house gas emission regulations for medium- and heavy-
duty engines and vehicles should provide incentives to en-
courage and reward manufacturers who produce natural
gas powered vehicles. Such regulations should take into
account the petroleum reductions provided by such vehi-
cles and also quantify all greenhouse gas emission reduc-
tions provided by natural gas powered engines and vehi-
cles.

SEC. 404. AMENDMENT TO SECTION 508 OF THE ENERGY

(a) REPOWER OR CONVERTED ALTERNATIVE
FUELED VEHICLES DEFINED.—Subsection (a) of section
is amended by adding at the end the following new para-
graph:

“(6) REPOWERED OR CONVERTED.—The term
‘repowered or converted’ means modified with a cer-
tified engine or aftermarket system so that the vehi-

cle is capable of operating on an alternative fuel.”.

(b) ALLOCATION OF CREDITS.—Subsection (b) of
13258) is amended by adding at the end the following new
paragraph:

“(3) REPOWERED OR CONVERTED VEHICLES.—
Not later than January 1, 2012, the Secretary shall
allocate credits to fleets that repower or convert an
existing vehicle so that it is capable of operating on
an alternative fuel. In the case of any medium-duty
or heavy-duty vehicle that is repowered or converted,
the Secretary shall allocate additional credits for
such vehicles if the Secretary determines that such
vehicles displace more petroleum than light-duty al-
ternative fueled vehicles. The Secretary shall include
a requirement that such vehicles remain in the fleet
for a period of no less than 2 years in order to con-
tinue to qualify for credit. The Secretary also shall
extend the flexibility afforded in this section to Fed-
eral fleets subject to the purchase provisions con-
tained in section 303 of this Act.”.