

112TH CONGRESS
1ST SESSION

H. R. 1380

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

IN THE HOUSE OF REPRESENTATIVES

APRIL 6, 2011

Mr. SULLIVAN (for himself, Mr. BOREN, Mr. LARSON of Connecticut, Mr. BRADY of Texas, Mr. McCAUL, Ms. SUTTON, Mr. GENE GREEN of Texas, Mr. SHUSTER, Mr. SIMPSON, Mr. BACHUS, Mr. ALEXANDER, Mr. GRIMM, Mr. BURTON of Indiana, Mr. THOMPSON of Pennsylvania, Mr. LUJÁN, Mr. CRITZ, Mr. BISHOP of Georgia, Mr. CUELLAR, Mr. DOYLE, Ms. KAPTUR, Mr. KISSELL, Mr. LIPINSKI, Mr. MATHESON, Mr. MURPHY of Connecticut, Mr. ROSS of Arkansas, Mr. LUCAS, Mr. WELCH, Mr. COLE, Mr. McINTYRE, Mr. BILBRAY, Mr. CULBERSON, Mrs. BLACKBURN, Mr. DONNELLY of Indiana, Mr. BOUSTANY, Mr. FLEMING, Mr. CHANDLER, Mr. HALL, Mrs. CAPITO, Mr. JONES, Mr. MURPHY of Pennsylvania, Mr. ROGERS of Alabama, Mr. PERLMUTTER, Mr. ALTMIRE, Mr. GARDNER, Mr. CONAWAY, Mr. RYAN of Ohio, Mr. SESSIONS, Mr. HOLT, Mr. TONKO, Mr. SABLAN, Mr. PETERS, Ms. DEGETTE, Mr. CAPUANO, Mr. COURTNEY, Mr. CLAY, Mr. THOMPSON of California, Mr. LOEBSACK, Mr. BARTON of Texas, Mr. ISSA, Mr. GALLEGLY, Mr. HARPER, Mr. BISHOP of Utah, Mr. TERRY, Mr. COSTA, Mr. BARROW, Ms. FUDGE, Mr. CLEAVER, Mr. SERRANO, Mr. WU, Mr. PASCARELL, Mr. SCALISE, Mrs. BONO MACK, Mr. BOSWELL, Mrs. LUMMIS, Mr. LANKFORD, Mr. REHBERG, and Mr. MARCHANT) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Science, Space, and Technology and Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

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

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, ETC.**

4 (a) **SHORT TITLE.**—This Act may be cited as the
 5 “New Alternative Transportation to Give Americans Solu-
 6 tions Act of 2011”.

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

13 (c) **TABLE OF CONTENTS.**—The table of contents for
 14 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.

Sec. 202. Amendment to section 136 of the Energy Security and Independence Act of 2007.

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.

Sec. 404. Amendment to section 508 of the Energy Policy Act of 1992.

1 **TITLE I—PROMOTE THE PUR-**
2 **CHASE AND USE OF NGVS**
3 **WITH AN EMPHASIS ON**
4 **HEAVY-DUTY VEHICLES AND**
5 **FLEET VEHICLES**

6 **SEC. 101. MODIFICATION OF ALTERNATIVE FUEL CREDIT.**

7 (a) ALTERNATIVE FUEL CREDIT.—Paragraph (5) of
8 section 6426(d) (relating to alternative fuel credit) is
9 amended by inserting “, and December 31, 2016, in the
10 case of any sale or use involving compressed or liquefied
11 natural gas” after “hydrogen”.

12 (b) ALTERNATIVE FUEL MIXTURE CREDIT.—Para-
13 graph (3) of section 6426(e) is amended by inserting “,
14 and December 31, 2016, in the case of any sale or use

1 involving compressed or liquefied natural gas” after “hy-
2 drogen”.

3 (c) PAYMENTS RELATING TO ALTERNATIVE FUEL OR
4 ALTERNATIVE FUEL MIXTURES.—Paragraph (6) of sec-
5 tion 6427(e) is amended—

6 (1) in subparagraph (C)—

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

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

10 (2) by striking the period at the end of sub-
11 paragraph (D) and inserting “, and”, and

12 (3) by inserting at the end the following:

13 “(E) any alternative fuel or alternative fuel
14 mixture (as so defined) involving compressed or
15 liquefied natural gas sold or used after Decem-
16 ber 31, 2016.”.

17 (d) PAYMENTS RELATING TO INDIAN TRIBES.—
18 Paragraph (1) of section 6427(k)(A) is amended by insert-
19 ing striking “or” at the end and inserting “an Indian
20 Tribal Government, or”.

21 (e) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to fuel sold or used after the date
23 of the enactment of this Act.

1 **SEC. 102. EXTENSION AND MODIFICATION OF NEW QUALI-**
2 **FIED ALTERNATIVE FUEL MOTOR VEHICLE**
3 **CREDIT.**

4 (a) IN GENERAL.—Paragraph (4) of section 30B(k)
5 (relating to termination) is amended by inserting “(De-
6 cember 31, 2016, in the case of a vehicle powered by com-
7 pressed or liquefied natural gas)” before the period at the
8 end.

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

12 **SEC. 103. ALLOWANCE OF VEHICLE AND INFRASTRUCTURE**
13 **CREDITS AGAINST REGULAR AND MINIMUM**
14 **TAX AND TRANSFERABILITY OF CREDITS.**

15 (a) BUSINESS CREDITS.—Subparagraph (B) of sec-
16 tion 38(c)(4) is amended by striking “and” at the end of
17 clause (viii), by striking the period at the end of clause
18 (ix) and inserting a comma, and by inserting after clause
19 (ix) the following new clauses:

20 “(x) the portion of the credit deter-
21 mined under section 30B which is attrib-
22 utable to the application of subsection
23 (e)(3) thereof with respect to new qualified
24 alternative fuel motor vehicles which are
25 capable of being powered by compressed or
26 liquefied natural gas, and

1 “(xi) the portion of the credit deter-
2 mined under section 30C which is attrib-
3 utable to the application of subsection (b)
4 thereof with respect to refueling property
5 which is used to store and or dispense
6 compressed or liquefied natural gas.”.

7 (b) PERSONAL CREDITS.—

8 (1) NEW QUALIFIED ALTERNATIVE FUEL
9 MOTOR VEHICLES.—Subsection (g) of section 30B is
10 amended by adding at the end the following new
11 paragraph:

12 “(3) SPECIAL RULE RELATING TO CERTAIN
13 NEW QUALIFIED ALTERNATIVE FUEL MOTOR VEHI-
14 CLES.—In the case of the portion of the credit deter-
15 mined under subsection (a) which is attributable to
16 the application of subsection (e)(3) with respect to
17 new qualified alternative fuel motor vehicles which
18 are capable of being powered by compressed or liq-
19 uefied natural gas—

20 “(A) paragraph (2) shall (after the appli-
21 cation of paragraph (1)) be applied separately
22 with respect to such portion, and

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

1 “(i) the sum of the regular tax liabil-
2 ity (as defined in section 26(b)) plus the
3 tentative minimum tax for the taxable
4 year, reduced by

5 “(ii) the sum of the credits allowable
6 under subpart A and sections 27 and 30.”.

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

11 “(3) SPECIAL RULE RELATING TO CERTAIN AL-
12 TERNATIVE FUEL VEHICLE REFUELING PROP-
13 ERTIES.—In the case of the portion of the credit de-
14 termined under subsection (a) with respect to refuel-
15 ing property which is used to store and or dispense
16 compressed or liquefied natural gas and which is at-
17 tributable to the application of subsection (b)—

18 “(A) paragraph (2) shall (after the appli-
19 cation of paragraph (1)) be applied separately
20 with respect to such portion, and

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

24 “(i) the sum of the regular tax liabil-
25 ity (as defined in section 26(b)) plus the

1 tentative minimum tax for the taxable
2 year, reduced by

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

8 (c) CREDITS MAY BE TRANSFERRED.—

9 (1) VEHICLE CREDITS.—Subsection (h) of sec-
10 tion 30B is amended by adding at the end the fol-
11 lowing new paragraph:

12 “(11) TRANSFERABILITY OF CREDIT.—

13 “(A) IN GENERAL.—Except as provided in
14 subparagraph (B), a taxpayer who places in
15 service any new qualified alternative fuel motor
16 vehicle which is capable of being powered by
17 compressed or liquefied natural gas may trans-
18 fer the credit allowed under this section by rea-
19 son of subsection (e) with respect to such vehi-
20 cle through an assignment to the manufacturer,
21 seller or lessee of such vehicle. Such transfer
22 may be revoked only with the consent of the
23 Secretary.

24 “(B) DENIAL OF DOUBLE BENEFIT.—No
25 assignment of a credit allowed under this sec-

1 tion by reason of subsection (e) with respect to
2 any new qualified alternative fuel motor vehicle
3 which is capable of being powered by com-
4 pressed or liquefied natural gas may be made
5 under subparagraph (A) to a taxpayer who has
6 claimed a credit under section 54G with respect
7 to the financing of such vehicle.

8 “(C) REGULATIONS.—The Secretary shall
9 prescribe such regulations as necessary to en-
10 sure that any credit transferred under subpara-
11 graph (A) is claimed once and not reassigned
12 by such other person.”.

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

16 “(7) TRANSFERABILITY OF CREDIT.—

17 “(A) IN GENERAL.—Except as provided in
18 subparagraph (B), a taxpayer who places in
19 service any qualified alternative fuel vehicle re-
20 fueling property relating to compressed or lique-
21 fied natural gas may transfer the credit allowed
22 under this section with respect to such property
23 through an assignment to the manufacturer,
24 seller or lessee of such property. Such transfer

1 may be revoked only with the consent of the
2 Secretary.

3 “(B) DENIAL OF DOUBLE BENEFIT.—No
4 assignment of a credit allowed under this sec-
5 tion by reason of subsection (e) with respect to
6 any qualified alternative fuel vehicle refueling
7 property relating to compressed or liquefied
8 natural gas may be made under subparagraph
9 (A) to a taxpayer who has claimed a credit
10 under section 54G with respect to the financing
11 of such property.

12 “(C) REGULATIONS.—The Secretary shall
13 prescribe such regulations as necessary to en-
14 sure that any credit transferred under subpara-
15 graph (A) is claimed once and not reassigned
16 by such other person.”.

17 (d) EFFECTIVE DATE.—The amendments made by
18 this section shall apply with respect to property placed in
19 service after the date of the enactment of this Act.

20 **SEC. 104. MODIFICATION OF CREDIT FOR PURCHASE OF**
21 **VEHICLES FUELED BY COMPRESSED NAT-**
22 **URAL GAS OR LIQUEFIED NATURAL GAS.**

23 (a) INCREASE IN CREDIT.—Paragraph (2) of section
24 30B(e) (relating to applicable percentage) is amended to
25 read as follows:

1 “(2) APPLICABLE PERCENTAGE.—For purposes
2 of paragraph (1), the applicable percentage with re-
3 spect to any new qualified alternative fuel motor ve-
4 hicle is—

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

7 “(i) 50 percent, plus

8 “(ii) 30 percent, if such vehicle—

9 “(I) has received a certificate of
10 conformity under the Clean Air Act
11 and meets or exceeds the most strin-
12 gent standard available for certifi-
13 cation under the Clean Air Act for
14 that make and model year vehicle
15 (other than a zero emission standard),
16 or

17 “(II) has received an order certi-
18 fying the vehicle as meeting the same
19 requirements as vehicles which may be
20 sold or leased in California and meets
21 or exceeds the most stringent stand-
22 ard available for certification under
23 the State laws of California (enacted
24 in accordance with a waiver granted
25 under section 209(b) of the Clean Air

1 Act) for that make and model year ve-
2 hicle (other than a zero emission
3 standard),

4 “(B) 80 percent, in the case of dedicated
5 vehicles that are only capable of operating on
6 compressed or liquefied natural gas, dual-fuel
7 vehicles that are only capable of operating on a
8 mixture of no less than 90 percent compressed
9 or liquefied natural gas, and a bi-fuel vehicle
10 that is capable of operating a minimum of 85
11 percent of its total range on compressed or liq-
12 uefied natural gas, and

13 “(C) 50 percent, in the case of vehicles de-
14 scribed subclause (II) or (III) of subsection
15 (e)(4)(A)(i) and which are not otherwise de-
16 scribed in subparagraph (B).

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

24 (b) INCREASED INCENTIVE FOR NATURAL GAS VEHI-
25 CLES.—Subsection (e) of section 30B (relating to new

1 qualified alternative fuel motor vehicle credit) is amended
2 by adding at the end the following new paragraph:

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

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

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

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

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

20 (c) EFFECTIVE DATE.—The amendment made by
21 this section shall apply to property placed in service after
22 the date of the enactment of this Act.

1 **SEC. 105. MODIFICATION OF DEFINITION OF NEW QUALI-**
2 **FIED ALTERNATIVE FUEL MOTOR VEHICLE.**

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

6 “(i) which—

7 “(I) is a dedicated vehicle that is
8 only capable of operating on an alter-
9 native fuel,

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

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

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

21 “(C) CONVERSIONS AND REPOWERS.—

22 “(i) IN GENERAL.—The term ‘new
23 qualified alternative fuel motor vehicle’ in-
24 cludes the conversion or repower of a new
25 or used vehicle so that it is capable of op-
26 erating on an alternative fuel as it was not

1 previously capable of operating on an alter-
2 native fuel.

3 “(ii) TREATMENT AS NEW.—A vehicle
4 which has been converted to operate on an
5 alternative fuel shall be treated as new on
6 the date of such conversion for purposes of
7 this section.

8 “(iii) RULE OF CONSTRUCTION.—In
9 the case of a used vehicle which is con-
10 verted or repowered, nothing in this section
11 shall be construed to require that the
12 motor vehicle be acquired in the year the
13 credit is claimed under this section with re-
14 spect to such vehicle.”.

15 (c) EFFECTIVE DATE.—The amendments made by
16 this section shall apply to property placed in service after
17 the date of the enactment of this Act.

18 **SEC. 106. PROVIDING FOR THE TREATMENT OF PROPERTY**
19 **PURCHASED BY INDIAN TRIBAL GOVERN-**
20 **MENTS.**

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

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

4 **TITLE II—PROMOTE PRODUCTION OF NGVS BY ORIGINAL**
 5 **EQUIPMENT MANUFACTURERS**

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

10 (a) IN GENERAL.—Subpart D of part IV of sub-
 11 chapter A of chapter 1 (relating to business-related cred-
 12 its) is amended by inserting after section 45R the fol-
 13 lowing new section:

14 **“SEC. 45S. PRODUCTION OF VEHICLES FUELED BY NAT-**
 15 **URAL GAS OR LIQUIFIED NATURAL GAS.**

16 “(a) IN GENERAL.—For purposes of section 38, in
 17 the case of a taxpayer who is an original manufacturer
 18 of natural gas vehicles, the natural gas vehicle credit de-
 19 termined under this section for any taxable year with re-
 20 spect to each eligible natural gas vehicle produced by the
 21 taxpayer during such year is an amount equal to the lesser
 22 of—

23 “(1) 10 percent of the manufacturer’s basis in
 24 such vehicle, or

25 “(2) \$4,000.

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

7 “(c) DEFINITIONS.—For the purposes of this sec-
8 tion—

9 “(1) ELIGIBLE NATURAL GAS VEHICLE.—The
10 term ‘eligible natural gas vehicle’ means a motor ve-
11 hicle (as defined in section 30B(h)(1)) that is capa-
12 ble of operating on natural gas and is described in
13 30B(e)(4)(A).

14 “(2) MANUFACTURER.—The term ‘manufac-
15 turer’ has the meaning given such term in regula-
16 tions prescribed by the Administrator of the Envi-
17 ronmental Protection Agency for purposes of title II
18 of the Clean Air Act (42 U.S.C. 7521 et seq.).

19 “(d) SPECIAL RULES.—For purposes of this sec-
20 tion—

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

24 “(2) CONTROLLED GROUPS.—

1 “(A) IN GENERAL.—All persons treated as
2 a single employer under subsection (a) or (b) of
3 section 52 or subsection (m) or (o) of section
4 414 shall be treated as a single producer.

5 “(B) INCLUSION OF FOREIGN CORPORA-
6 TIONS.—For purposes of subparagraph (A), in
7 applying subsections (a) and (b) of section 52
8 to this section, section 1563 shall be applied
9 without regard to subsection (b)(2)(C) thereof.

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

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

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

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

1 (c) CONFORMING AMENDMENT.—The table of sec-
2 tions for subpart D of part IV of subchapter A of chapter
3 1 is amended by inserting after the item relating to section
4 45R the following new item:

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

5 (d) EFFECTIVE DATE.—The amendments made by
6 this section shall apply to vehicles produced after Decem-
7 ber 31, 2011.

8 **SEC. 202. ADDITIONAL VEHICLES QUALIFYING FOR THE AD-**
9 **VANCED TECHNOLOGY VEHICLES MANUFAC-**
10 **TURING INCENTIVE PROGRAM.**

11 (a) IN GENERAL.—Notwithstanding any other provi-
12 sion of law, a covered vehicle (as defined in subsection (b))
13 shall be considered an advanced technology vehicle for
14 purposes of the advanced technology vehicle incentive pro-
15 gram established under section 136 of the Energy Inde-
16 pendence and Security Act of 2007 (42 U.S.C. 17013),
17 and manufacturers and component suppliers of such cov-
18 ered vehicles shall be eligible for an award under such sec-
19 tion.

20 (b) DEFINITIONS.—As used in this section—

21 (1) the term “covered vehicle” means a light-
22 duty vehicle or a medium-duty or heavy-duty truck
23 or bus that is only capable of operating on com-
24 pressed or liquefied natural gas, a bi-fueled motor

1 vehicle that is capable of achieving a minimum of 85
2 percent of its total range with compressed or lique-
3 fied natural gas, or a dual-fuel vehicle that operates
4 on a mixture of natural gas and gasoline or diesel
5 fuel but is not capable of operating on a mixture of
6 less than 75 percent natural gas;

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

10 (3) the term “dual-fuel vehicle” means a vehicle
11 that is capable of operating on a mixture of com-
12 pressed or liquefied natural gas and gasoline or die-
13 sel fuel.

14 **TITLE III—INCENTIVIZE THE IN-**
15 **STALLATION OF NATURAL**
16 **GAS FUEL PUMPS**

17 **SEC. 301. EXTENSION AND MODIFICATION OF ALTER-**
18 **NATIVE FUEL VEHICLE REFUELING PROP-**
19 **ERTY CREDIT.**

20 (a) IN GENERAL.—Subsection (g) of section 30C is
21 amended by striking “and” at the end of paragraph (1),
22 by redesignating paragraph (2) as paragraph (3), and by
23 inserting after paragraph (1) the following new paragraph:

1 “(2) in the case of property relating to com-
 2 pressed or liquefied natural gas, after December 31,
 3 2016, and”.

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

7 **SEC. 302. INCREASE IN CREDIT FOR CERTAIN ALTER-**
 8 **NATIVE FUEL VEHICLE REFUELING PROP-**
 9 **ERTIES.**

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

12 “(b) LIMITATION.—The credit allowed under sub-
 13 section (a) with respect to all qualified alternative fuel ve-
 14 hicle refueling property placed in service by the taxpayer
 15 during the taxable year at a location shall not exceed—

16 “(1) except as provided in paragraph (2),
 17 \$30,000 in the case of a property of a character
 18 subject to an allowance for depreciation,

19 “(2) in the case of compressed natural gas
 20 property and liquefied natural gas property which is
 21 of a character subject to an allowance for deprecia-
 22 tion, the lesser of—

23 “(A) 50 percent of such cost, or

24 “(B) \$100,000, and

25 “(3) \$2,000 in any other case.”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section shall apply to property placed in service in
3 taxable years beginning after December 31, 2011.

4 **TITLE IV—NATURAL GAS**
5 **VEHICLES**

6 **SEC. 401. GRANTS FOR NATURAL GAS VEHICLES RESEARCH**
7 **AND DEVELOPMENT.**

8 (a) RESEARCH, DEVELOPMENT AND DEMONSTRATION PROGRAMS.—The Secretary shall provide funding to
9 improve the performance and efficiency and integration of
10 natural gas powered motor vehicles and heavy-duty on-
11 road vehicles as part of any programs funded pursuant
12 to section 911 of the Energy Policy Act of 2005 (42
13 U.S.C. 16191) and also with respect to funding for heavy-
14 duty engines pursuant to section 754 of the Energy Policy
15 Act of 2005 (42 U.S.C. 16102).

17 (b) IN GENERAL.—The Secretary of Energy may
18 make grants to original equipment manufacturers of light-
19 duty and heavy-duty natural gas vehicles for the develop-
20 ment of engines that reduce emissions, improve perform-
21 ance and efficiency, and lower cost.

22 **SEC. 402. SENSE OF THE CONGRESS REGARDING EPA CER-**
23 **TIFICATION OF NGV RETROFIT KITS.**

24 It is the sense of the Congress that the Environ-
25 mental Protection Agency should streamline the process

1 for certification of natural gas vehicle retrofit kits to pro-
2 mote energy security while still fulfilling the mission of
3 the Clean Air Act.

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

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

17 **SEC. 404. AMENDMENT TO SECTION 508 OF THE ENERGY**
18 **POLICY ACT OF 1992.**

19 (a) REPOWER OR CONVERTED ALTERNATIVE
20 FUELED VEHICLES DEFINED.—Subsection (a) of section
21 508 of the Energy Policy Act of 1992 (42 U.S.C. 13258)
22 is amended by adding at the end the following new para-
23 graph:

24 “(6) REPOWERED OR CONVERTED.—The term
25 ‘repowered or converted’ means modified with a cer-

1 tified engine or aftermarket system so that the vehi-
2 cle is capable of operating on an alternative fuel.”.

3 (b) ALLOCATION OF CREDITS.—Subsection (b) of
4 section 508 of the Energy Policy Act of 1992 (42 U.S.C.
5 13258) is amended by adding at the end the following new
6 paragraph:

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

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