

To amend the Internal Revenue Code of 1986 to improve and extend certain energy-related tax provisions, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. BINGAMAN (for himself, Ms. SNOWE, and Mrs. FEINSTEIN) introduced the following bill; which was read twice and referred to the Committee on

A BILL

To amend the Internal Revenue Code of 1986 to improve and extend certain energy-related tax provisions, and for other purposes.

14 **SEC. 3. MOTOR ENERGY EFFICIENCY IMPROVEMENT TAX**

15 **CREDIT.**

16 (a) IN GENERAL.—Subpart D of part IV of sub-
17 chapter A of chapter 1 is amended by adding at the end
18 the following new section:

19 **“SEC. 45R. MOTOR ENERGY EFFICIENCY IMPROVEMENT**

20 **TAX CREDIT.**

21 “(a) IN GENERAL.—For purposes of section 38, the
22 motor energy efficiency improvement tax credit deter-
23 mined under this section for the taxable year is an amount
24 equal to \$120 multiplied by the motor horsepower of an
25 appliance, machine, or equipment—

1 “(1) manufactured in such taxable year by a
2 manufacturer which incorporates an advanced motor
3 system into a newly designed appliance, machine, or
4 equipment or into a redesigned appliance, machine,
5 or equipment which did not previously make use of
6 the advanced motor system, or

7 “(2) placed back into service in such taxable
8 year by an end user which upgrades an existing ap-
9 pliance, machine, or equipment with an advanced
10 motor system.

11 For any advanced motor system with a total horsepower
12 of less than 10, such motor energy efficiency improvement
13 tax credit is an amount which bears the same ratio to
14 \$120 as 1 horsepower bears to such total horsepower.

15 “(b) ADVANCED MOTOR SYSTEM.—For purposes of
16 this section, the term ‘advanced motor system’ means a
17 motor and any required associated electronic control
18 which—

19 “(1) offers variable or multiple speed operation,
20 and

21 “(2) uses permanent magnet technology, elec-
22 tronically commutated motor technology, switched
23 reluctance motor technology, or such other motor
24 systems technologies as determined by the Secretary
25 of Energy.

1 “(c) AGGREGATE PER TAXPAYER LIMITATION.—

2 “(1) IN GENERAL.—The amount of the credit
3 determined under this section for any taxpayer for
4 any taxable year shall not exceed the excess (if any)
5 of \$2,000,000 over the aggregate credits allowed
6 under this section with respect to such taxpayer for
7 all prior taxable years.

8 “(2) AGGREGATION RULES.—For purposes of
9 this section, all persons treated as a single employer
10 under subsections (a) and (b) of section 52 shall be
11 treated as 1 taxpayer.

12 “(d) SPECIAL RULES.—

13 “(1) BASIS REDUCTION.—For purposes of this
14 subtitle, the basis of any property for which a credit
15 is allowable under subsection (a) shall be reduced by
16 the amount of such credit so allowed.

17 “(2) NO DOUBLE BENEFIT.—No other credit
18 shall be allowable under this chapter for property
19 with respect to which a credit is allowed under this
20 section.

21 “(3) PROPERTY USED OUTSIDE UNITED STATES
22 NOT QUALIFIED.—No credit shall be allowable under
23 subsection (a) with respect to any property referred
24 to in section 50(b)(1).

1 “(e) APPLICATION.—This section shall not apply to
2 property manufactured or placed back into service before
3 the date which is 6 months after the date of the enactment
4 of this section or after December 31, 2013.”.

5 (b) CONFORMING AMENDMENTS.—

6 (1) Section 38(b) is amended by striking “plus”
7 at the end of paragraph (34), by striking the period
8 at the end of paragraph (35) and inserting “, plus”,
9 and by adding at the end the following new para-
10 graph:

11 “(36) the motor energy efficiency improvement
12 tax credit determined under section 45R.”.

13 (2) Section 1016(a) is amended by striking
14 “and” at the end of paragraph (36), by striking the
15 period at the end of paragraph (37) and inserting “,
16 and”, and by adding at the end the following new
17 paragraph:

18 “(38) to the extent provided in section
19 45R(d)(1).”.

20 (3) The table of sections for subpart D of part
21 IV of subchapter A of chapter 1 is amended by add-
22 ing at the end the following new item:

“Sec. 45R. Motor energy efficiency improvement tax credit.”.

23 (c) EFFECTIVE DATE.—The amendments made by
24 this section shall apply to property manufactured or

- 1 placed back into service after the date which is 6 months
- 2 after the date of the enactment of this Act.