

117TH CONGRESS
1ST SESSION

S. 2537

To amend the Internal Revenue Code of 1986 to provide a credit for previously-owned qualified plug-in electric drive motor vehicles.

IN THE SENATE OF THE UNITED STATES

JULY 29, 2021

Mrs. FEINSTEIN (for herself and Mr. PADILLA) introduced the following bill;
which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to provide a credit for previously-owned qualified plug-in electric drive motor vehicles.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Affordable EVs for
5 Working Families Act”.

6 **SEC. 2. CREDIT FOR PREVIOUSLY-OWNED QUALIFIED**
7 **PLUG-IN ELECTRIC DRIVE MOTOR VEHICLES.**

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

1 1986 is amended by inserting after section 36B the fol-
 2 lowing new section:

3 **“SEC. 36C. PREVIOUSLY-OWNED QUALIFIED PLUG-IN ELEC-**
 4 **TRIC DRIVE MOTOR VEHICLES.**

5 “(a) ALLOWANCE OF CREDIT.—In the case of a
 6 qualified buyer who during a taxable year places in service
 7 a previously-owned qualified plug-in electric drive motor
 8 vehicle, there shall be allowed as a credit against the tax
 9 imposed by this subtitle for the taxable year an amount
 10 equal to the sum of—

11 “(1) \$1,250, plus

12 “(2) in the case of a vehicle which draws pro-
 13 pulsion energy from a battery which exceeds 4 kilo-
 14 watt hours of capacity (determined at the time of
 15 sale), the lesser of—

16 “(A) \$1,250, and

17 “(B) the product of \$208.50 and such ex-
 18 cess kilowatt hours.

19 “(b) LIMITATIONS.—

20 “(1) SALE PRICE.—The credit allowed under
 21 subsection (a) with respect to sale of a vehicle shall
 22 not exceed 30 percent of the sale price.

23 “(2) ADJUSTED GROSS INCOME.—The amount
 24 which would (but for this paragraph) be allowed as
 25 a credit under subsection (a) shall be reduced (but

not below zero) by \$200 for each \$1,000 (or fraction thereof) by which the taxpayer's adjusted gross income exceeds \$75,000 (twice such amount in the case of a joint return).

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

“(1) PREVIOUSLY-OWNED QUALIFIED PLUG-IN ELECTRIC DRIVE MOTOR VEHICLE.—The term ‘previously-owned qualified plug-in electric drive motor vehicle’ means, with respect to a taxpayer, a motor vehicle—

“(A) the model year of which is at least 2 earlier than the calendar year in which the taxpayer acquires such vehicle,

“(B) the original use of which commences with a person other than the taxpayer,

“(C) which is acquired by the taxpayer in a qualified sale,

“(D) registered by the taxpayer for operation in a State or possession of the United States,

“(E) which meets the requirements of subparagraphs (C), (D), (E), (F) of section 30D(d)(1), and

“(F) which is not of a character subject to an allowance for depreciation.

1 “(2) QUALIFIED SALE.—The term ‘qualified
2 sale’ means a sale of a motor vehicle—

3 “(A) by a seller who holds such vehicle in
4 inventory (within the meaning of section 471)
5 for sale or lease,

6 “(B) for a sale price of less than \$25,000,
7 and

8 “(C) which is the first transfer since the
9 date of the enactment of this section to a per-
10 son other than the person with whom the origi-
11 nal use of such vehicle commenced.

12 “(3) QUALIFIED BUYER.—The term ‘qualified
13 buyer’ means, with respect to a sale of a motor vehi-
14 cle, a taxpayer—

15 “(A) who is an individual,

16 “(B) who purchases such vehicle for use
17 and not for resale,

18 “(C) with respect to whom no deduction is
19 allowable with respect to another taxpayer
20 under section 151,

21 “(D) who has not been allowed a credit
22 under this section for any sale during the 3-
23 year period ending on the date of the sale of
24 such vehicle, and

1 “(E) who possesses a certificate issued by
2 the seller that certifies—

3 “(i) that the vehicle is a previously-
4 owned qualified plug-in electric drive motor
5 vehicle,

6 “(ii) the vehicle identification number
7 of such vehicle,

8 “(iii) the capacity of the battery at
9 time of sale, and

10 “(iv) such other information as the
11 Secretary may require.

12 “(4) MOTOR VEHICLE; CAPACITY.—The terms
13 ‘motor vehicle’ and ‘capacity’ have the meaning
14 given such terms in paragraphs (2) and (4) of sec-
15 tion 30D(d), respectively.

16 “(d) VIN NUMBER REQUIREMENT.—No credit shall
17 be allowed under subsection (a) with respect to any vehicle
18 unless the taxpayer includes the vehicle identification
19 number of such vehicle on the return of tax for the taxable
20 year.

21 “(e) APPLICATION OF CERTAIN RULES.—For pur-
22 poses of this section, rules similar to the rules of para-
23 graphs (1), (2), (4), (5), (6) and (7) of section 30D(f)
24 shall apply for purposes of this section.

1 “(f) CERTIFICATE SUBMISSION REQUIREMENT.—

2 The Secretary may require that the issuer of the certifi-
 3 cate described in subsection (c)(3)(E) submit such certifi-
 4 cate to the Secretary at the time and in the manner re-
 5 quired by the Secretary.”.

6 (b) CONFORMING AMENDMENTS.—

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

9 (2) Section 6213(g)(2) of such Code is amend-
 10 ed—

11 (A) in subparagraph (P), by striking
 12 “and” at the end,

13 (B) in subparagraph (Q), by striking the
 14 period at the end and inserting “, and”, and

15 (C) by adding at the end the following:

16 “(R) an omission of a correct vehicle iden-
 17 tification number required under section 36C(d)
 18 (relating to credit for previously-owned qualified
 19 plug-in electric drive motor vehicles) to be in-
 20 cluded on a return.”.

21 (3) Paragraph (2) of section 1324(b) of title
 22 31, United States Code, is amended by inserting
 23 “36C,” after “36B,”.

24 (c) CLERICAL AMENDMENT.—The table of sections
 25 for subpart C of part IV of subchapter A of chapter 1

1 of the Internal Revenue Code of 1986 is amended by in-
2 serting after the item relating to section 36B the following
3 new item:

“Sec. 36C. Previously-owned qualified plug-in electric drive motor vehicles.”.

4 (d) EFFECTIVE DATE.—The amendments made by
5 this section shall apply to vehicles acquired after the date
6 of the enactment of this Act.

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