

117TH CONGRESS
1ST SESSION

S. 494

To amend the Internal Revenue Code of 1986 to provide for a credit for zero-emission buses.

IN THE SENATE OF THE UNITED STATES

MARCH 1, 2021

Ms. CORTEZ MASTO 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 for a credit for zero-emission buses.

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 “Green Bus Tax Credit
5 Act of 2021”.

6 **SEC. 2. CREDIT FOR ZERO-EMISSION BUSES.**

7 (a) IN GENERAL.—Subpart D of part IV of sub-
8 chapter A of chapter 1 of the Internal Revenue Code of
9 1986 is amended by adding at the end the following new
10 section:

1 **“SEC. 45U. ZERO-EMISSION BUS CREDIT.**

2 “(a) ALLOWANCE OF CREDIT.—For purposes of sec-
 3 tion 38, in the case of a manufacturer of a zero-emission
 4 bus, the zero-emission bus credit determined under this
 5 section for a taxable year is an amount equal to 10 percent
 6 of the sum of the sale price of each zero-emission bus sold
 7 by such taxpayer during such taxable year.

8 “(b) LIMITATION.—The sale price of a zero-emission
 9 bus may not be taken into account under subsection (a)
 10 to the extent such price exceeds \$1,000,000.

11 “(c) ZERO-EMISSION BUS.—For purposes of this sec-
 12 tion—

13 “(1) IN GENERAL.—The term ‘zero-emission
 14 bus’ means a motor vehicle which—

15 “(A) has a gross vehicle weight rating of
 16 not less than 14,000 pounds,

17 “(B) is not powered or charged by an in-
 18 ternal combustion engine,

19 “(C) is propelled solely by an electric
 20 motor which draws electricity from a battery or
 21 fuel cell,

22 “(D) is designed to carry 15 or more pas-
 23 sengers, and

24 “(E) satisfies the requirements established
 25 under section 5323(j) of title 49, United States
 26 Code.

1 “(2) MOTOR VEHICLE; MANUFACTURER.—The
 2 term ‘motor vehicle’ and ‘manufacturer’ have the
 3 meaning given such terms in paragraphs (2) and (3)
 4 of section 30D(d), respectively.

5 “(d) SPECIAL RULES.—

6 “(1) SALE PRICE.—For purposes of this sec-
 7 tion, the sale price of a zero-emission bus shall be
 8 reduced by any rebate or other incentive given be-
 9 fore, on, or after the date of the sale.

10 “(2) DOMESTIC USE.—No credit shall be al-
 11 lowed under subsection (a) with respect to a zero-
 12 emission bus to a manufacturer who knows or has
 13 reason to know that such vehicle will not be used
 14 primarily in the United States or a possession of the
 15 United States.

16 “(3) REGULATIONS.—The Secretary shall pre-
 17 scribe such regulations as may be necessary or ap-
 18 propriate to carry out the purposes of this section,
 19 including procedures for manufacturers to certify
 20 compliance with the requirements under subsection
 21 (c)(1)(E) and to conduct audits with respect to vehi-
 22 cles for which a credit is allowed under this section
 23 to ensure such requirements have been satisfied.

24 “(e) TERMINATION.—This section shall not apply to
 25 sales after December 31, 2026.”.

1 (b) CREDIT MADE PART OF GENERAL BUSINESS

2 CREDIT.—Subsection (b) of section 38 of such Code is
 3 amended by striking “plus” at the end of paragraph (32),
 4 by striking the period at the end of paragraph (33) and
 5 inserting “, plus”, and by adding at the end the following
 6 new paragraph:

7 “(34) the zero-emission bus credit determined
 8 under section 45U.”.

9 (c) CLERICAL AMENDMENT.—The table of sections
 10 for subpart D of part IV of subchapter A of chapter 1
 11 of such Code is amended by adding at the end the fol-
 12 lowing new item:

“Sec. 45U. Zero-emission bus credit.”.

13 (d) EFFECTIVE DATE.—The amendments made by
 14 this section shall apply to sales after the date of the enact-
 15 ment of this Act.

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