

112TH CONGRESS
1ST SESSION

H. R. 1706

To amend the Internal Revenue Code of 1986 to provide a credit against income tax to facilitate the accelerated development and deployment of advanced safety systems for commercial motor vehicles.

IN THE HOUSE OF REPRESENTATIVES

MAY 4, 2011

Mr. DAVIS of Kentucky (for himself and Mr. THOMPSON of California) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to provide a credit against income tax to facilitate the accelerated development and deployment of advanced safety systems for commercial 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 “Commercial Motor Ve-
5 hicle Advanced Safety Technology Tax Act of 2011”.

1 **SEC. 2. CREDIT FOR ADVANCED COMMERCIAL VEHICLE**
2 **SAFETY SYSTEMS.**

3 (a) IN GENERAL.—Subpart D of part IV of sub-
4 chapter A of chapter 1 of the Internal Revenue Code of
5 1986 (relating to business related credits) is amended by
6 adding at the end the following new section:

7 **“SEC. 45S. CREDIT FOR COMMERCIAL VEHICLE ADVANCED**
8 **SAFETY SYSTEMS.**

9 “(a) ALLOWANCE OF CREDIT.—For purposes of sec-
10 tion 38, the commercial vehicle advanced safety system
11 credit determined under this section is an amount equal
12 to 50 percent of the cost of any qualified commercial vehi-
13 cle advanced safety system placed in service by the tax-
14 payer during the taxable year.

15 “(b) LIMITATIONS.—

16 “(1) PER SYSTEM.—The credit allowable under
17 subsection (a) for each qualified commercial vehicle
18 advanced safety system shall not exceed \$1,500.

19 “(2) PER VEHICLE.—The credit allowable
20 under subsection (a) with respect to property for
21 each qualified commercial vehicle shall not exceed—

22 “(A) \$3,500, reduced by

23 “(B) the aggregate amount of credit al-
24 lowed to the taxpayer under this section with
25 respect to such vehicle for all prior taxable
26 years.

1 “(3) PER TAXPAYER.—The credit allowable
2 under subsection (a) to the taxpayer for the taxable
3 year shall not exceed \$350,000.

4 “(c) QUALIFIED COMMERCIAL VEHICLE ADVANCED
5 SAFETY SYSTEM.—For purposes of this section, the term
6 ‘qualified commercial vehicle advanced safety system’
7 means any property which is part of a system installed
8 on a qualified commercial vehicle if—

9 “(1)(A) such system is a brake stroke moni-
10 toring system, lane departure warning system, colli-
11 sion warning system, or vehicle stability system, or

12 “(B) such system is specifically identified by
13 the Administrator of the Federal Motor Carrier
14 Safety Administration or the Administrator of the
15 National Highway Traffic Safety Administration for
16 the purposes of this paragraph as significantly en-
17 hancing the safety or security of the driver, vehicle,
18 passengers, or load of a qualified commercial vehicle
19 and such identification is in effect as of the date
20 such system is placed in service by the taxpayer,

21 “(2) such system is certified by the manufac-
22 turer of such system (before such vehicle is first
23 used by the taxpayer for its intended purpose after
24 installation of such system)—

1 “(A) to be appropriate for the make, type,
2 and model of the qualified commercial vehicle
3 on which it is to be installed, and

4 “(B) to function as designed if installed
5 properly,

6 “(3) in the case of a system which is not in-
7 stalled by the manufacturer of the qualified commer-
8 cial vehicle or by an installer authorized by the man-
9 ufacturer of such system, such system is certified by
10 the installer of such system to be properly installed
11 and functioning on the vehicle before such vehicle is
12 first used by the taxpayer for its intended purpose
13 after installation of such system,

14 “(4) the original use of such system begins with
15 the taxpayer, and

16 “(5) depreciation (or amortization in lieu of de-
17 preciation) is allowable with respect to such system.

18 “(d) QUALIFIED COMMERCIAL VEHICLE.—For pur-
19 poses of this section, the term ‘qualified commercial vehi-
20 cle’ means any highway motor vehicle if—

21 “(1) such vehicle—

22 “(A) is to be used to transport persons or
23 property in commerce, and

1 “(B) has a gross combination weight rat-
2 ing or a gross vehicle weight rating of 26,001
3 pounds or more, or

4 “(C) the seating capacity of which is at
5 least 15 individuals (not including the driver),

6 “(2) the seating capacity of such vehicle is at
7 least 11 individuals (not including the driver) and
8 such vehicle is reasonably expected to be used as a
9 school bus (as defined in section 4221(d)(7)(C)), or

10 “(3) such vehicle is reasonably expected to be
11 used as an intercity or local bus (as defined in sec-
12 tion 4221(d)(7)(B)).

13 “(e) OTHER DEFINITIONS.—For purposes of this
14 section—

15 “(1) BRAKE STROKE MONITORING SYSTEM.—
16 The term ‘brake stroke monitoring system’ means
17 any onboard-monitoring system for air-braked vehi-
18 cles that—

19 “(A) uses electronic sensors to determine if
20 the brakes are out of adjustment, not oper-
21 ational, or not fully releasing, and

22 “(B) displays warnings to the driver show-
23 ing the existence and exact location and nature
24 of the problem.

1 “(2) LANE DEPARTURE WARNING SYSTEM.—

2 The term ‘lane departure warning system’ means
3 any system that alerts a driver (including audio, vis-
4 ual, and tactile warnings) of unintended movement
5 out of the lane of travel or of an object or vehicle
6 in the adjacent lane blind spot.

7 “(3) COLLISION WARNING SYSTEM.—The term
8 ‘collision warning system’ means any system that—

9 “(A) monitors the roadway in front, to the
10 side, or to the rear of the vehicle,

11 “(B) warns the driver when a potential col-
12 lision risk exists by providing the driver with an
13 audible, visual, or tactile notification, and

14 “(C) may autonomously slow or redirect
15 the vehicle.

16 “(4) VEHICLE STABILITY SYSTEM.—The term
17 ‘vehicle stability system’ means any active safety
18 system that automatically intervenes when there is a
19 high risk of rollover or directional instability. For
20 purposes of the preceding sentence, active interven-
21 tions include automatically reducing vehicle speed or
22 by selectively applying appropriate brakes to better
23 align the vehicle to the appropriate path of travel.

24 “(f) CONTROLLED GROUPS.—

1 “(1) IN GENERAL.—For purposes of this sec-
2 tion, all persons treated as a single employer under
3 subsection (a) or (b) of section 52 or subsection (m)
4 or (o) of section 414 shall be treated as a single tax-
5 payer.

6 “(2) INCLUSION OF FOREIGN CORPORATIONS.—
7 For purposes of paragraph (1), in applying sub-
8 sections (a) and (b) of section 52 to this section, sec-
9 tion 1563 shall be applied without regard to sub-
10 section (b)(2)(C) thereof.

11 “(g) SPECIAL RULES.—

12 “(1) BASIS REDUCTION.—The basis of any
13 property for which a credit is allowable under sub-
14 section (a) shall be reduced by the amount of such
15 credit.

16 “(2) RECAPTURE.—The Secretary shall, by reg-
17 ulations, provide for recapturing the benefit of any
18 credit allowable under subsection (a) with respect to
19 any property which ceases to be property eligible for
20 such credit.

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

1 of the cost of any property taken into account under
2 section 179.

3 “(4) PROPERTY USED BY TAX-EXEMPT ENTI-
4 TY.—In the case of any qualified commercial vehicle
5 advanced safety system the use of which is described
6 in paragraph (3) or (4) of section 50(b) and which
7 is not subject to a lease—

8 “(A) the person who sold such property to
9 the person or entity using such property shall
10 be treated as the taxpayer that placed such
11 property in service, but only if such person
12 clearly discloses to such person or entity in a
13 document the amount of any credit allowable
14 under subsection (a) with respect to such prop-
15 erty (determined without regard to section
16 38(c)), and

17 “(B) paragraphs (2) and (3) of subsection
18 (c) shall not apply to such person with respect
19 to such property.

20 “(5) ELECTION NOT TO TAKE CREDIT.—No
21 credit shall be allowed under subsection (a) for any
22 qualified commercial vehicle advanced safety system
23 if the taxpayer elects to not have this section apply
24 to such system.

1 “(h) SUPPORTING DOCUMENTATION.—No credit
2 shall be allowed under subsection (a) unless the qualified
3 commercial vehicle owner receives such documentation as
4 the Secretary may require, including—

5 “(1) at the time of purchase of the qualified ad-
6 vanced commercial vehicle advanced safety system—

7 “(A) documentation that identifies—

8 “(i) the type of each such system to
9 be installed on the vehicle, and

10 “(ii) the purchase date of the vehicle
11 containing such system (or the installation
12 date of such system in the case of installa-
13 tion after the date of the first retail sale
14 of such vehicle), and

15 “(B) the certification required under sub-
16 section (c)(2), and

17 “(2) in the case of a system for which a certifi-
18 cation is required under subsection (c)(3), at the
19 time of the installation of such system, the certifi-
20 cation required under subsection (c)(3).

21 “(i) TERMINATION.—This section shall not apply to
22 property placed in service after December 31, 2016.”.

23 (b) CREDIT TO BE PART OF GENERAL BUSINESS
24 CREDIT.—Subsection (b) of section 38 of such Code (re-
25 lating to general business credit) is amended by striking

1 “plus” at the end of paragraph (35), by striking the period
2 at the end of paragraph (36) and inserting “, plus”, and
3 by adding at the end the following new paragraph:

4 “(37) the commercial vehicle advanced safety
5 system credit determined under section 45S(a).”.

6 (c) CONFORMING AMENDMENTS.—

7 (1) Section 1016(a) of such Code is amended
8 by striking “and” at the end of paragraph (36), by
9 striking the period at the end of paragraph (37) and
10 inserting “, and”, and by adding at the end the fol-
11 lowing new paragraph:

12 “(38) to the extent provided in section
13 45S(g)(1).”.

14 (2) Subsection (m) of section 6501 of such
15 Code is amended by inserting “45S(g)(5),” after
16 “45H(g),”.

17 (3) The table of sections for subpart D of part
18 IV of subchapter A of chapter 1 of such Code is
19 amended by inserting after the item relating to sec-
20 tion 45R the following new item:

“Sec. 45S. Credit for commercial vehicle advanced safety systems.”.

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

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