

with respect to the complete liquidation occurring before January 1, 1979, of a corporation to the extent that such tax is attributable to earnings and profits accumulated by such corporation during periods ending before January 1, 1976.”

[§ 28. Renumbered § 45C]

[§ 29. Renumbered § 45K]

§ 30. Certain plug-in electric vehicles

(a) Allowance of credit

There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 10 percent of the cost of any qualified plug-in electric vehicle placed in service by the taxpayer during the taxable year.

(b) Per vehicle dollar limitation

The amount of the credit allowed under subsection (a) with respect to any vehicle shall not exceed \$2,500.

(c) Application with other credits

(1) Business credit treated as part of general business credit

So much of the credit which would be allowed under subsection (a) for any taxable year (determined without regard to this subsection) that is attributable to property of a character subject to an allowance for depreciation shall be treated as a credit listed in section 38(b) for such taxable year (and not allowed under subsection (a)).

(2) Personal credit

(A) In general

For purposes of this title, the credit allowed under subsection (a) for any taxable year (determined after application of paragraph (1)) shall be treated as a credit allowable under subpart A for such taxable year.

(B) Limitation based on amount of tax

In the case of a taxable year to which section 26(a)(2) does not apply, the credit allowed under subsection (a) for any taxable year (determined after application of paragraph (1)) shall not exceed the excess of—

- (i) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over
- (ii) the sum of the credits allowable under subpart A (other than this section and sections 23, 25D, and 30D) and section 27 for the taxable year.

(d) Qualified plug-in electric vehicle

For purposes of this section—

(1) In general

The term “qualified plug-in electric vehicle” means a specified vehicle—

- (A) the original use of which commences with the taxpayer,
- (B) which is acquired for use or lease by the taxpayer and not for resale,
- (C) which is made by a manufacturer,
- (D) which is manufactured primarily for use on public streets, roads, and highways,
- (E) which has a gross vehicle weight rating of less than 14,000 pounds, and
- (F) which is propelled to a significant extent by an electric motor which draws electricity from a battery which—

- (i) has a capacity of not less than 4 kilowatt hours (2.5 kilowatt hours in the case of a vehicle with 2 or 3 wheels), and

- (ii) is capable of being recharged from an external source of electricity.

(2) Specified vehicle

The term “specified vehicle” means any vehicle which—

- (A) is a low speed vehicle within the meaning of section 571.3 of title 49, Code of Federal Regulations (as in effect on the date of the enactment of the American Recovery and Reinvestment Tax Act of 2009), or
- (B) has 2 or 3 wheels.

(3) Manufacturer

The term “manufacturer” has the meaning given such term in regulations prescribed by the Administrator of the Environmental Protection Agency for purposes of the administration of title II of the Clean Air Act (42 U.S.C. 7521 et seq.).

(4) Battery capacity

The term “capacity” means, with respect to any battery, the quantity of electricity which the battery is capable of storing, expressed in kilowatt hours, as measured from a 100 percent state of charge to a 0 percent state of charge.

(e) Special rules

(1) Basis reduction

For purposes of this subtitle, the basis of any property for which a credit is allowable under subsection (a) shall be reduced by the amount of such credit so allowed.

(2) No double benefit

The amount of any deduction or other credit allowable under this chapter for a new qualified plug-in electric drive motor vehicle shall be reduced by the amount of credit allowable under subsection (a) for such vehicle.

(3) Property used by tax-exempt entity

In the case of a vehicle the use of which is described in paragraph (3) or (4) of section 50(b) and which is not subject to a lease, the person who sold such vehicle to the person or entity using such vehicle shall be treated as the taxpayer that placed such vehicle in service, but only if such person clearly discloses to such person or entity in a document the amount of any credit allowable under subsection (a) with respect to such vehicle (determined without regard to subsection (c)).

(4) Property used outside United States not qualified

No credit shall be allowable under subsection (a) with respect to any property referred to in section 50(b)(1).

(5) Recapture

The Secretary shall, by regulations, provide for recapturing the benefit of any credit allowable under subsection (a) with respect to any property which ceases to be property eligible for such credit.

(6) Election not to take credit

No credit shall be allowed under subsection (a) for any vehicle if the taxpayer elects to not have this section apply to such vehicle.

(f) Termination

This section shall not apply to any vehicle acquired after December 31, 2011.

(Added Pub. L. 102-486, title XIX, §1913(b)(1), Oct. 24, 1992, 106 Stat. 3019; amended Pub. L. 104-188, title I, §§1205(d)(4), 1704(j)(4)(A), Aug. 20, 1996, 110 Stat. 1776, 1881; Pub. L. 107-147, title VI, §602(a), Mar. 9, 2002, 116 Stat. 59; Pub. L. 108-311, title III, §318(a), Oct. 4, 2004, 118 Stat. 1182; Pub. L. 109-58, title XIII, §1322(a)(3)(A), Aug. 8, 2005, 119 Stat. 1011; Pub. L. 111-5, div. B, title I, §1142(a), Feb. 17, 2009, 123 Stat. 328.)

REFERENCES IN TEXT

The date of the enactment of the American Recovery and Reinvestment Tax Act of 2009, referred to in subsec. (d)(2)(A), is the date of the enactment of div. B of Pub. L. 111-5, which was approved Feb. 17, 2009.

The Clean Air Act, referred to in subsec. (d)(3), is act July 14, 1955, ch. 360, 69 Stat. 322. Title II of the Act, known as the National Emission Standards Act, is classified generally to subchapter II (§7521 et seq.) of chapter 85 of Title 42, The Public Health and Welfare. For complete classification of this Act to the Code, see Short Title note set out under section 7401 of Title 42 and Tables.

PRIOR PROVISIONS

A prior section 30 was renumbered section 41 of this title.

AMENDMENTS

2009—Pub. L. 111-5 amended section generally. Prior to amendment, section provided for credit of 10 percent of the cost of any qualified electric vehicle, subject to a \$4,000 per vehicle limitation, a 75 percent reduction for any vehicle placed in service after Dec. 31, 2005, and a Dec. 31, 2006, termination date.

2005—Subsec. (b)(3)(A). Pub. L. 109-58 substituted “section 27” for “sections 27 and 29” in introductory provisions.

2004—Subsec. (b)(2). Pub. L. 108-311 reenacted heading without change and amended text generally. Prior to amendment, text read as follows: “In the case of any qualified electric vehicle placed in service after December 31, 2003, the credit otherwise allowable under subsection (a) (determined after the application of paragraph (1)) shall be reduced by—

“(A) 25 percent in the case of property placed in service in calendar year 2004,

“(B) 50 percent in the case of property placed in service in calendar year 2005, and

“(C) 75 percent in the case of property placed in service in calendar year 2006.”

2002—Subsec. (b)(2). Pub. L. 107-147, §602(a)(1)(A), substituted “December 31, 2003,” for “December 31, 2001,” in introductory provisions.

Subsec. (b)(2)(A). Pub. L. 107-147, §602(a)(1)(B), substituted “2004” for “2002”.

Subsec. (b)(2)(B). Pub. L. 107-147, §602(a)(1)(B), substituted “2005” for “2003”.

Subsec. (b)(2)(C). Pub. L. 107-147, §602(a)(1)(B), substituted “2006” for “2004”.

Subsec. (e). Pub. L. 107-147, §602(a)(2), substituted “December 31, 2006” for “December 31, 2004”.

1996—Subsec. (b)(3)(A). Pub. L. 104-188, §1205(d)(4), substituted “sections 27 and 29” for “sections 27, 28, and 29”.

Subsec. (d)(1). Pub. L. 104-188, §1704(j)(4)(A)(i), inserted “(determined without regard to subsection (b)(3))” before period at end.

Subsec. (d)(4). Pub. L. 104-188, §1704(j)(4)(A)(ii), added par. (4).

EFFECTIVE DATE OF 2009 AMENDMENT

Amendment by Pub. L. 111-5 applicable to vehicles acquired after Feb. 17, 2009, see section 1142(c) of Pub.

L. 111-5, set out as an Effective and Termination Dates of 2009 Amendment note under section 24 of this title.

EFFECTIVE DATE OF 2005 AMENDMENT

Amendment by Pub. L. 109-58 applicable to credits determined under the Internal Revenue Code of 1986 for taxable years ending after Dec. 31, 2005, see section 1322(c)(1) of Pub. L. 109-58, set out as a note under section 45K of this title.

EFFECTIVE DATE OF 2004 AMENDMENT

Pub. L. 108-311, title III, §318(b), Oct. 4, 2004, 118 Stat. 1182, provided that: “The amendments made by this section [amending this section] shall apply to property placed in service after December 31, 2003.”

EFFECTIVE DATE OF 2002 AMENDMENT

Pub. L. 107-147, title VI, §602(c), Mar. 9, 2002, 116 Stat. 59, provided that: “The amendments made by this section [amending this section, section 280F of this title, and provisions set out as a note under section 280F of this title] shall apply to property placed in service after December 31, 2001.”

EFFECTIVE DATE OF 1996 AMENDMENT

Amendment by section 1205(d)(4) of Pub. L. 104-188 applicable to amounts paid or incurred in taxable years ending after June 30, 1996, see section 1205(e) of Pub. L. 104-188, set out as a note under section 45K of this title.

EFFECTIVE DATE

Section 1913(c) of Pub. L. 102-486 provided that: “The amendments made by this section [enacting this section and 179A of this title and amending sections 53, 55, 62, and 1016 of this title] shall apply to property placed in service after June 30, 1993.”

TRANSITIONAL RULE

Pub. L. 111-5, div. B, title I, §1142(d), Feb. 17, 2009, 123 Stat. 331, provided that: “In the case of a vehicle acquired after the date of the enactment of this Act [Feb. 17, 2009] and before January 1, 2010, no credit shall be allowed under section 30 of the Internal Revenue Code of 1986, as added by this section, if credit is allowable under section 30D of such Code with respect to such vehicle.”

§ 30A. Puerto Rico economic activity credit**(a) Allowance of credit****(1) In general**

Except as otherwise provided in this section, if the conditions of both paragraph (1) and paragraph (2) of subsection (b) are satisfied with respect to a qualified domestic corporation, there shall be allowed as a credit against the tax imposed by this chapter an amount equal to the portion of the tax which is attributable to the taxable income, from sources without the United States, from—

(A) the active conduct of a trade or business within Puerto Rico, or

(B) the sale or exchange of substantially all of the assets used by the taxpayer in the active conduct of such trade or business.

In the case of any taxable year beginning after December 31, 2001, the aggregate amount of taxable income taken into account under the preceding sentence (and in applying subsection (d)) shall not exceed the adjusted base period income of such corporation, as determined in the same manner as under section 936(j).

(2) Qualified domestic corporation

For purposes of paragraph (1), the term “qualified domestic corporation” means a domestic corporation—