



(Original Signature of Member)

118TH CONGRESS
1ST SESSION

H. R. 3938

To amend the Internal Revenue Code of 1986 to encourage economic growth.

IN THE HOUSE OF REPRESENTATIVES

Mr. SMITH of Missouri introduced the following bill; which was referred to the
Committee on _____

A BILL

To amend the Internal Revenue Code of 1986 to encourage
economic growth.

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; TABLE OF CONTENTS, ETC.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Build It in America Act”.

6 (b) AMENDMENT OF 1986 CODE.—Except as other-
7 wise expressly provided, whenever in this Act an amend-
8 ment or repeal is expressed in terms of an amendment
9 to, or repeal of, a section or other provision, the reference

1 shall be considered to be made to a section or other provi-
2 sion of the Internal Revenue Code of 1986.

3 (c) TABLE OF CONTENTS.—The table of contents for
4 this Act is as follows:

Sec. 1. Short title; table of contents, etc.

TITLE I—INVESTMENT IN AMERICA

Sec. 101. Deduction for research and experimental expenditures.

Sec. 102. Extension of allowance for depreciation, amortization, or depletion in
determining the limitation on business interest.

Sec. 103. Extension of 100 percent bonus depreciation.

TITLE II—SUPPLY CHAIN SECURITY

Sec. 201. Termination of Hazardous Substance Superfund financing rate.

Sec. 202. Election to determine foreign income taxes paid or accrued to certain
Western Hemisphere countries without regard to certain regu-
lations.

Sec. 203. Imposition of tax on the acquisition of United States agricultural in-
terests by disqualified persons.

TITLE III—REPEAL OF SPECIAL INTEREST TAX PROVISIONS

Sec. 301. Repeal of clean electricity production credit.

Sec. 302. Repeal of clean electricity investment credit.

Sec. 303. Modification of clean vehicle credit.

Sec. 304. Repeal of credit for previously-owned clean vehicles.

Sec. 305. Repeal of credit for qualified commercial clean vehicles.

5 **TITLE I—INVESTMENT IN**
6 **AMERICA**

7 **SEC. 101. DEDUCTION FOR RESEARCH AND EXPERIMENTAL**
8 **EXPENDITURES.**

9 (a) DELAY OF AMORTIZATION OF RESEARCH AND
10 EXPERIMENTAL EXPENDITURES.—Section 174 is amend-
11 ed by adding at the end the following new subsection:

12 “(e) SUSPENSION OF APPLICATION.—This section
13 shall apply to amounts paid or incurred in taxable years
14 beginning after December 31, 2025 (and shall not apply

1 to amounts paid or incurred in taxable years beginning
2 on or before such date).”.

3 (b) REINSTATEMENT OF EXPENSING FOR RESEARCH
4 AND EXPERIMENTAL EXPENDITURES.—Part VI of sub-
5 chapter B of chapter 1 is amended by inserting after sec-
6 tion 174 the following new section:

7 **“SEC. 174A. TEMPORARY RULES FOR RESEARCH AND EX-
8 PERIMENTAL EXPENDITURES.**

9 “(a) TREATMENT AS EXPENSES.—Notwithstanding
10 section 263, there shall be allowed as a deduction any re-
11 search or experimental expenditures which are paid or in-
12 curred by the taxpayer during the taxable year in connec-
13 tion with the taxpayer’s trade or business.

14 “(b) AMORTIZATION OF CERTAIN RESEARCH AND
15 EXPERIMENTAL EXPENDITURES.—

16 “(1) IN GENERAL.—At the election of the tax-
17 payer, made in accordance with regulations or other
18 guidance provided by the Secretary, research or ex-
19 perimental expenditures which—

20 “(A) are paid or incurred by the taxpayer
21 in connection with his trade or business, and

22 “(B) would (but for subsection (a)) be
23 chargeable to capital account but not charge-
24 able to property of a character which is subject
25 to the allowance under section 167 (relating to

1 allowance for depreciation, etc.) or section 611
2 (relating to allowance for depletion),
3 may be treated as deferred expenses to which sub-
4 section (a) does not apply. In computing taxable in-
5 come, such deferred expenses shall be allowed as a
6 deduction ratably over such period of not less than
7 60 months as may be selected by the taxpayer (be-
8 ginning with the month in which the taxpayer first
9 realizes benefits from such expenditures). Such de-
10 ferred expenses are expenditures properly chargeable
11 to capital account for purposes of section 1016(a)(1)
12 (relating to adjustments to basis of property).

13 “(2) TIME FOR AND SCOPE OF ELECTION.—The
14 election provided by paragraph (1) may be made for
15 any taxable year, but only if made not later than the
16 time prescribed by law for filing the return for such
17 taxable year (including extensions thereof). The
18 method so elected, and the period selected by the
19 taxpayer, shall be adhered to in computing taxable
20 income for the taxable year for which the election is
21 made and for all subsequent taxable years unless,
22 with the approval of the Secretary, a change to a
23 different method (or to a different period) is author-
24 ized with respect to part or all of such expenditures.
25 The election shall not apply to any expenditure paid

1 or incurred during any taxable year before the tax-
2 able year for which the taxpayer makes the election.

3 “(c) ELECTION TO CAPITALIZE EXPENSES.—In the
4 case of a taxpayer which elects (at such time and in such
5 manner as the Secretary may provide) the application of
6 this subsection, subsections (a) and (b) shall not apply.
7 Such election shall not apply to any expenditure paid or
8 incurred during any taxable year before the taxable year
9 for which the taxpayer makes the election and may be
10 made with respect to part of the expenditures paid or in-
11 curred during any taxable year only with the approval of
12 the Secretary.

13 “(d) LAND AND OTHER PROPERTY.—This section
14 shall not apply to any expenditure for the acquisition or
15 improvement of land, or for the acquisition or improve-
16 ment of property to be used in connection with the re-
17 search or experimentation and of a character which is sub-
18 ject to the allowance under section 167 (relating to allow-
19 ance for depreciation, etc.) or section 611 (relating to al-
20 lowance for depletion); but for purposes of this section al-
21 lowances under section 167, and allowances under section
22 611, shall be considered as expenditures.

23 “(e) EXPLORATION EXPENDITURES.—This section
24 shall not apply to any expenditure paid or incurred for
25 the purpose of ascertaining the existence, location, extent,

1 or quality of any deposit of ore or other mineral (including
2 oil and gas).

3 “(f) SOFTWARE DEVELOPMENT.—For purposes of
4 this section, any amount paid or incurred in connection
5 with the development of any software shall be treated as
6 a research or experimental expenditure.

7 “(g) ONLY REASONABLE RESEARCH EXPENDITURES
8 ELIGIBLE.—This section shall apply to a research or ex-
9 perimental expenditure only to the extent that the amount
10 thereof is reasonable under the circumstances.

11 “(h) COORDINATION WITH RESEARCH CREDIT.—

12 “(1) IN GENERAL.—Section 41(d)(1)(A) shall
13 be applied by substituting ‘expenses under section
14 174A’ for ‘specified research or experimental ex-
15 penditures under section 174’.

16 “(2) DENIAL OF DOUBLE BENEFIT.—

17 “(A) IN GENERAL.—Section 280C(c) shall
18 not apply and the amount taken into account
19 under this section as research or experimental
20 expenditures shall be reduced by the amount of
21 the credit allowable under section 41(a).

22 “(B) ELECTION OF REDUCED CREDIT.—

23 “(i) IN GENERAL.—In the case of any
24 taxable year for which an election is made
25 under this subparagraph—

1 “(I) subparagraph (A) shall not
2 apply, and

3 “(II) the amount of the credit
4 under section 41(a) shall be the
5 amount determined under clause (ii).

6 “(ii) AMOUNT OF REDUCED CRED-
7 IT.—The amount of credit determined
8 under this clause for any taxable year shall
9 be the amount equal to the excess of—

10 “(I) the amount of credit deter-
11 mined under section 41(a) without re-
12 gard to this subparagraph, over

13 “(II) the product of the amount
14 described in subclause (I), multiplied
15 by the rate of tax under section 11(b).

16 “(iii) ELECTION.—An election under
17 this subparagraph for any taxable year
18 shall be made not later than the time for
19 filing the return of tax for such year (in-
20 cluding extensions), shall be made on such
21 return, and shall be made in such manner
22 as the Secretary may prescribe. Such an
23 election, once made, shall be irrevocable.

1 “(C) CONTROLLED GROUPS.—Paragraph
2 (3) of section 280C(b) shall apply for purposes
3 of this paragraph.

4 “(i) COORDINATION WITH LONG-TERM CONTRACT
5 RULES.—For purposes of determining percentage of com-
6 pletion under section 460(b)(1)(A), any research or exper-
7 imental expenditures paid or incurred by the taxpayer in
8 connection with the taxpayer’s trade or business shall be
9 taken into account as a cost allocated to the contract for
10 the taxable year in which so paid or incurred.

11 “(j) COORDINATION WITH CERTAIN OTHER PROVI-
12 SIONS.—A reference to the corresponding provision of this
13 section shall be treated as included in any reference to
14 section 174 in section 56(b), 59(e), 144(a), 168(i), 170(e),
15 195(e), 263(a), 263A(c), 469(c), 543(d), 864(g), 993(d),
16 1016(a)(14), 1202(a), or 1298(e).

17 “(k) TERMINATION.—

18 “(1) IN GENERAL.—This section shall not apply
19 to amounts paid or incurred in taxable years begin-
20 ning after December 31, 2025.

21 “(2) CHANGE IN METHOD OF ACCOUNTING.—
22 Paragraph (1) (and the corresponding application of
23 section 174) shall be treated as a change in method
24 of accounting for purposes of section 481 and—

1 “(A) such change shall be treated as initi-
2 ated by the taxpayer,

3 “(B) such change shall be treated as made
4 with the consent of the Secretary, and

5 “(C) such change shall be applied only on
6 a cut-off basis for any research or experimental
7 expenditures paid or incurred in taxable years
8 beginning after December 31, 2025, and no ad-
9 justment under section 481(a) shall be made.”.

10 (c) COORDINATION OF AMORTIZATION WITH CER-
11 TAIN OTHER PROVISIONS.—Section 174, as amended by
12 subsection (a), is amended by redesignating subsection (e)
13 as subsection (f) and by inserting after subsection (d) the
14 following new subsection:

15 “(e) COORDINATION WITH CERTAIN OTHER PROVI-
16 SIONS.—

17 “(1) COORDINATION WITH ALTERNATIVE MIN-
18 IMUM TAX.—Sections 56(b)(2) and 59(e)(2)(B) shall
19 not apply to specified research or experimental ex-
20 penditures to which this section applies.

21 “(2) COORDINATION WITH BASIS ADJUSTMENT
22 RULES.—Section 1016(a)(14) shall be applied by
23 substituting ‘an amortization deduction under sec-
24 tion 174(a)’ for ‘deductions as deferred expenses
25 under section 174(b)(1)’.

1 “(3) COORDINATION WITH LONG-TERM CON-
2 TRACT RULES.—For purposes of determining per-
3 centage of completion under section 460(b)(1)(A),
4 the amortization deduction under subsection (a)
5 shall be taken into account as a cost allocated to the
6 contract.”.

7 (d) CONFORMING AMENDMENTS.—

8 (1) Section 13206 of Public Law 115-97 is
9 amended by striking subsection (b) (relating to
10 change in method of accounting).

11 (2) The table of sections for part VI of sub-
12 chapter B of chapter 1 is amended by inserting after
13 the time relating to section 174 the following new
14 item:

“Sec. 174A. Temporary rules for research and experimental expenditures.”.

15 (e) EFFECTIVE DATE.—

16 (1) IN GENERAL.—Except as otherwise pro-
17 vided in this subsection, the amendments made by
18 this section shall apply to amounts paid or incurred
19 in taxable years beginning after December 31, 2021.

20 (2) REPEAL OF SUPERCEDED CHANGE IN
21 METHOD OF ACCOUNTING RULES.—The amendment
22 made by subsection (d)(1) shall take effect as if in-
23 cluded in Public Law 115-97.

24 (f) TRANSITION RULES.—

1 (1) ELECTION REGARDING TREATMENT AS
2 CHANGE IN METHOD OF ACCOUNTING.—In the case
3 of any taxpayer which (as of the date of the enact-
4 ment of this Act) had adopted a method of account-
5 ing provided by section 174 of the Internal Revenue
6 Code of 1986 (as in effect prior to the amendments
7 made by this section) for the taxpayer’s first taxable
8 year beginning after December 31, 2021, and elects
9 the application of this paragraph—

10 (A) the amendments made by this section
11 shall be treated as a change in method of ac-
12 counting for purposes of section 481 of such
13 Code,

14 (B) such change shall be treated as initi-
15 ated by the taxpayer for the taxpayer’s imme-
16 diately succeeding taxable year,

17 (C) such change shall be treated as made
18 with the consent of the Secretary, and

19 (D) such change shall be applied on a
20 modified cut-off basis, taking into account for
21 purposes of section 481(a) of such Code only
22 the capitalized expenditures which were not al-
23 lowed as an amortization deduction by reason
24 of section 174 prior to amendment by this Act

1 for the taxpayer's first taxable year beginning
2 after December 31, 2021.

3 (2) ELECTION REGARDING 10-YEAR WRITE-
4 OFF.—

5 (A) IN GENERAL.—An eligible taxpayer
6 which files, during the 1-year period beginning
7 on the date of the enactment of this Act, an
8 amended income tax return for the taxable year
9 described in subparagraph (B)(ii) may elect the
10 application of section 59(e) of the Internal Rev-
11 enue Code of 1986 with respect to qualified ex-
12 penditures described in section 59(e)(2)(B) of
13 such Code with respect to such taxable year.
14 Such election shall be filed with such amended
15 income tax return and shall be effective only to
16 the extent that such election would have been
17 effective if filed with the original income tax re-
18 turn for such taxable year.

19 (B) ELIGIBLE TAXPAYER.—For purposes
20 of subparagraph (A), the term “eligible tax-
21 payer” means any taxpayer which—

22 (i) does not elect the application of
23 paragraph (1), and

24 (ii) filed an income tax return for
25 such taxpayer's first taxable year begin-

1 ning after December 31, 2021, before the
2 earlier of—

3 (I) the due date for such return,
4 and
5 (II) the date of the enactment of
6 this Act.

7 **SEC. 102. EXTENSION OF ALLOWANCE FOR DEPRECIATION,**
8 **AMORTIZATION, OR DEPLETION IN DETER-**
9 **MINING THE LIMITATION ON BUSINESS IN-**
10 **TEREST.**

11 (a) IN GENERAL.—Section 163(j)(8)(A)(v) is amend-
12 ed by striking “January 1, 2022” and inserting “January
13 1, 2026”.

14 (b) EFFECTIVE DATE.—

15 (1) IN GENERAL.—Except as otherwise pro-
16 vided in this subsection, the amendment made by
17 this section shall apply to taxable years beginning
18 after December 31, 2022.

19 (2) ELECTION TO APPLY EXTENSION RETRO-
20 ACTIVELY.—In the case of a taxpayer which elects
21 (at such time and in such manner as the Secretary
22 may provide) the application of this paragraph,
23 paragraph (1) shall be applied by substituting “De-
24 cember 31, 2021” for “December 31, 2022”.

1 **SEC. 103. EXTENSION OF 100 PERCENT BONUS DEPRECIATION.**
2

3 (a) **IN GENERAL.**—Section 168(k)(6)(A) is amend-
4 ed—

5 (1) in clause (i)—

6 (A) by striking “2023” and inserting
7 “2026”, and

8 (B) by adding “and” at the end, and

9 (2) by striking clauses (ii), (iii), and (iv), and
10 redesignating clause (v) as clause (ii).

11 (b) **PROPERTY WITH LONGER PRODUCTION PERI-**
12 **ODS.**—Section 168(k)(6)(B) is amended—

13 (1) in clause (i)—

14 (A) by striking “2024” and inserting
15 “2027”, and

16 (B) by adding “and” at the end, and

17 (2) by striking clauses (ii), (iii), and (iv), and
18 redesignating clause (v) as clause (ii).

19 (c) **PLANTS BEARING FRUITS AND NUTS.**—Section
20 168(k)(6)(C) is amended—

21 (1) in clause (i)—

22 (A) by striking “2023” and inserting
23 “2026”, and

24 (B) by adding “and” at the end, and

25 (2) by striking clauses (ii), (iii), and (iv), and
26 redesignating clause (v) as clause (ii).

1 (d) EFFECTIVE DATES.—

2 (1) IN GENERAL.—Except as otherwise pro-
3 vided in this subsection, the amendments made by
4 this section shall apply to property placed in service
5 after December 31, 2022.

6 (2) PLANTS BEARING FRUITS AND NUTS.—The
7 amendments made by subsection (c) shall apply to
8 specified plants planted or grafted after December
9 31, 2022.

10 **TITLE II—SUPPLY CHAIN**
11 **SECURITY**

12 **SEC. 201. TERMINATION OF HAZARDOUS SUBSTANCE**
13 **SUPERFUND FINANCING RATE.**

14 (a) IN GENERAL.—Section 4611 (as amended by sec-
15 tion 13601 of Public Law 117–169) is amended by insert-
16 ing after subsection (d) the following new subsection:

17 “(e) APPLICATION OF HAZARDOUS SUBSTANCE
18 SUPERFUND FINANCING RATE.—The Hazardous Sub-
19 stance Superfund financing rate under this section shall
20 not apply after December 31, 2022.”.

21 (b) TERMINATION OF AUTHORITY FOR ADVANCES.—
22 Section 9507(d)(3)(B) (as so amended) is amended—

23 (1) by striking “December 31, 2032” and in-
24 serting “the date of the enactment of the Build It
25 in America Act”, and

1 (2) by striking “on or before such date” and in-
2 serting “as soon as practicable thereafter”.

3 (c) EFFECTIVE DATE.—

4 (1) IN GENERAL.—The amendment made by
5 subsection (a) shall take effect on January 1, 2023.

6 (2) TERMINATION OF AUTHORITY FOR AD-
7 VANCES.—The amendments made by subsection (b)
8 shall take effect on the date of the enactment of this
9 Act.

10 **SEC. 202. ELECTION TO DETERMINE FOREIGN INCOME**
11 **TAXES PAID OR ACCRUED TO CERTAIN WEST-**
12 **ERN HEMISPHERE COUNTRIES WITHOUT RE-**
13 **GARD TO CERTAIN REGULATIONS.**

14 (a) ELECTION WITH RESPECT TO DETERMINING
15 CERTAIN FOREIGN INCOME TAXES.—In the case of any
16 taxpayer which elects (at such time and in such manner
17 as the Secretary may provide) the application of this sub-
18 section, the determination of whether any Western Hemi-
19 sphere tax paid or accrued by such taxpayer is an income,
20 war profits, or excess profits tax for purposes of any provi-
21 sion of the Internal Revenue Code of 1986 shall be made
22 without regard to any specified regulation.

23 (b) SEPARATE ELECTION WITH RESPECT TO ALLO-
24 CATION AND APPORTIONMENT OF FOREIGN INCOME

1 TAXES RELATING TO DISREGARDED PAYMENTS FROM
2 CERTAIN DISREGARDED ENTITIES.—

3 (1) IN GENERAL.—If the owner of any specified
4 disregarded entity elects (at such time and in such
5 manner as the Secretary may provide) the applica-
6 tion of this subsection with respect to such entity,
7 then for purposes of allocating and apportioning any
8 foreign income taxes (as defined in section 986(a)(4)
9 of the Internal Revenue Code of 1986 and deter-
10 mined after the application of subsection (a) of this
11 section) paid or accrued by reason of any remittance
12 made by such entity to such owner during the appli-
13 cable period, any items of foreign gross income in-
14 cluded by reason of the receipt of such remittance
15 shall be assigned to a category based on current and
16 accumulated earnings and profits of such entity (in
17 lieu of being assigned on the basis of the tax book
18 value method described in a specified regulation).

19 (2) SPECIFIED DISREGARDED ENTITY.—For
20 purposes of this subsection, the term “specified dis-
21 regarded entity” means any entity (including any
22 trade or business) if—

23 (A) such entity is disregarded as an entity
24 separate from its owner for purposes of apply-

1 ing chapter 1 of the Internal Revenue Code of
2 1986,

3 (B) such entity is created or organized in
4 a possession of the United States or a foreign
5 country described in subsection (d)(1)(B),

6 (C) at all times after December 31, 2019
7 (or, if later, the date on which such entity is
8 created or organized) substantially all of the in-
9 come of such entity is derived from trades or
10 businesses conducted in the possession or coun-
11 try referred to in subparagraph (B), and

12 (D) at all times after the date on which
13 such entity is created or organized, such entity
14 maintains separate books and records.

15 (c) APPLICATION TO DEEMED PAID CREDIT.—In the
16 case of any tax paid or accrued by a controlled foreign
17 corporation and deemed to have been paid by a United
18 States shareholder under section 960 of the Internal Rev-
19 enue Code of 1986—

20 (1) any election under subsection (a) or (b)
21 shall be made by such controlled foreign corporation
22 and shall be binding on all United States share-
23 holders of such controlled foreign corporation, and

1 (2) the applicable period under subsection (d)
2 shall be determined with respect to the taxable years
3 of such controlled foreign corporation.

4 (d) WESTERN HEMISPHERE TAX.—For purposes of
5 this section—

6 (1) IN GENERAL.—The term “Western Hemi-
7 sphere tax” means any tax which is paid or accrued
8 for a taxable year which is in the applicable period
9 to—

10 (A) any possession of the United States, or

11 (B) any foreign country (other than Cuba
12 and Venezuela) which is located in North, Cen-
13 tral, or South America (including the West In-
14 dies).

15 (2) APPLICABLE PERIOD.—The term “applica-
16 ble period” means—

17 (A) in the case of any election made under
18 subsection (a), all taxable years beginning after
19 December 31, 2021, and before January 1,
20 2027, and

21 (B) in the case of any election made under
22 subsection (b), all taxable years beginning after
23 December 31, 2019, and before January 1,
24 2027.

1 (3) DETERMINATION BASED ON TAXABLE YEAR
2 FOR WHICH TAX ACTUALLY PAID OR ACCRUED.—
3 The determination of the taxable year for which any
4 tax is paid or accrued for purposes of determining
5 whether a foreign tax is paid or accrued for a tax-
6 able year which is in the applicable period shall be
7 made without regard to any taxable year with re-
8 spect to which such tax is deemed to have been paid
9 under section 904(c) or 960 of the Internal Revenue
10 Code of 1986.

11 (e) SPECIFIED REGULATION.—For purposes of this
12 section, the term “specified regulation” means—

13 (1) Treasury Regulations relating to “Guidance
14 Related to the Foreign Tax Credit; Clarification of
15 Foreign-Derived Intangible Income” (87 Fed. Reg.
16 276; published on January 4, 2022),

17 (2) proposed Treasury Regulations relating to
18 “Guidance Related to the Foreign Tax Credit” (87
19 Fed. Reg. 71271; published on November 22, 2022),
20 and

21 (3) any regulation or other guidance published
22 after January 4, 2022, to the extent that such regu-
23 lation or other guidance is substantially similar to,
24 or predicated upon, any portion of the regulations
25 referred to in paragraph (1) or (2).

1 In the case of any regulation or other guidance which is
2 published after the date of the enactment of this Act and
3 any portion of which is described in paragraph (3), the
4 Secretary shall identify such regulation or guidance (or
5 portion thereof) as not applying with respect to taxpayers
6 which have elected the application of subsection (a) or (b),
7 as the case may be.

8 (f) SECRETARY.—For purposes of this section, the
9 term “Secretary” means the Secretary of the Treasury or
10 the Secretary’s delegate.

11 **SEC. 203. IMPOSITION OF TAX ON THE ACQUISITION OF**
12 **UNITED STATES AGRICULTURAL INTERESTS**
13 **BY DISQUALIFIED PERSONS.**

14 (a) IN GENERAL.—Subtitle D is amended by insert-
15 ing after chapter 50A the following new chapter:

16 **“CHAPTER 50B—ACQUISITION OF UNITED**
17 **STATES AGRICULTURAL INTERESTS**
18 **BY DISQUALIFIED PERSONS**

“Sec. 5000E. Imposition of tax on acquisition of United States agricultural in-
terests by disqualified persons.

19 **“SEC. 5000E. IMPOSITION OF TAX ON ACQUISITION OF**
20 **UNITED STATES AGRICULTURAL INTERESTS**
21 **BY DISQUALIFIED PERSONS.**

22 “(a) IN GENERAL.—In the case of any acquisition of
23 any United States agricultural interest by any disqualified

1 person, there is hereby imposed on such person a tax equal
2 to 60 percent of the amount paid for such interest.

3 “(b) DISQUALIFIED PERSON.—For purposes of this
4 section—

5 “(1) IN GENERAL.—The term ‘disqualified per-
6 son’ means—

7 “(A) any citizen of a country of concern
8 (other than a citizen, or lawful permanent resi-
9 dent, of the United States and other than an
10 individual domiciled in Taiwan possessing a
11 valid identification card or number issued by
12 the government of Taiwan),

13 “(B) any entity domiciled in a country of
14 concern (other than an entity domiciled in Tai-
15 wan),

16 “(C) any country of concern and any polit-
17 ical subdivision, agency, or instrumentality
18 thereof, and

19 “(D) except as provided in paragraph (3),
20 any entity if persons described in subparagraph
21 (A), (B), or (C) (in the aggregate) 10-percent
22 control such entity.

23 “(2) COUNTRY OF CONCERN.—The term ‘coun-
24 try of concern’ means any country the government
25 of which is engaged in a long-term pattern or seri-

1 ous instances of conduct significantly adverse to the
2 national security of the United States or the security
3 and safety of United States persons, including the
4 People’s Republic of China, the Russian Federation,
5 Iran, North Korea, Cuba, and the regime of Nicolas
6 Maduro in Venezuela.

7 “(3) EXCEPTION FOR CERTAIN PUBLICLY
8 TRADED CORPORATIONS.—

9 “(A) IN GENERAL.—An entity shall not be
10 treated as described in paragraph (1)(D) if—

11 “(i) such entity is a specified publicly
12 traded corporation, or

13 “(ii) specified publicly traded corpora-
14 tions (in the aggregate) control such enti-
15 ty.

16 “(B) SPECIFIED PUBLICLY TRADED COR-
17 PORATION.—

18 “(i) IN GENERAL.—The term ‘speci-
19 fied publicly traded corporation’ means any
20 corporation if—

21 “(I) the stock of such corporation
22 is regularly traded on an established
23 securities market located in the
24 United States, and

1 “(II) specified disqualified per-
2 sons do not (in the aggregate) control
3 such corporation.

4 “(ii) SPECIFIED DISQUALIFIED PER-
5 SONS.—The term ‘specified disqualified
6 persons’ means, with respect to any cor-
7 poration referred to in clause (i), any per-
8 son which—

9 “(I) is described in subparagraph
10 (A), (B), or (C) of paragraph (1), and

11 “(II) 10-percent controls such
12 corporation.

13 “(c) PRORATED TAX ON ACQUISITIONS BY ENTITIES
14 NOT MORE THAN 50 PERCENT CONTROLLED BY DIS-
15 QUALIFIED PERSONS.—

16 “(1) IN GENERAL.—In the case of any disquali-
17 fied person described in subsection (b)(1)(D) with
18 respect to which persons described in subparagraphs
19 (A), (B), or (C) of subsection (b)(1) do not (in the
20 aggregate) control such disqualified person, sub-
21 section (a) shall be applied by substituting ‘the ap-
22 plicable percentage of the amount’ for ‘the amount’.

23 “(2) APPLICABLE PERCENTAGE.—For purposes
24 of this section, the term ‘applicable percentage’
25 means, with respect to any disqualified person to

1 which paragraph (1) applies, the highest percentage
2 which could be substituted for ‘50 percent’ both
3 places it appears in section 954(d)(3) without caus-
4 ing persons described in subparagraph (A), (B), or
5 (C) of subsection (b)(1) (in the aggregate) to control
6 (determined by taking into account such substi-
7 tution) such disqualified person.

8 “(d) CONTROL.—For purposes of this section—

9 “(1) IN GENERAL.—The term ‘control’ has the
10 meaning given such term under section 954(d)(3),
11 determined by treating the rules of section 958(a)(2)
12 as applying to both foreign and domestic corpora-
13 tions, partnerships, trusts, and estates.

14 “(2) 10-PERCENT CONTROL.—The term ‘10-
15 percent control’ means control (as defined in para-
16 graph (1)), determined by substituting ‘10 percent’
17 for ‘50 percent’ both places it appears in section
18 954(d)(3).

19 “(e) UNITED STATES AGRICULTURAL INTEREST.—
20 For purposes of this section—

21 “(1) IN GENERAL.—The term ‘United States
22 agricultural interest’ has the meaning which would
23 be given the term ‘United States real property inter-
24 est’ by section 897(c) if—

1 “(A) paragraph (1)(A)(i) were applied by
2 substituting ‘an interest in agricultural land’
3 for ‘an interest in real property’ and all that
4 follows,

5 “(B) paragraph (1)(A)(ii) were applied by
6 substituting ‘such corporation was not a United
7 States real property holding corporation at the
8 time of acquisition’ for ‘such corporation’ and
9 all that follows,

10 “(C) paragraph (1)(B) did not apply, and

11 “(D) paragraph (3) were applied by sub-
12 stituting ‘at the time of acquisition’ for ‘at
13 some time during the shorter of the periods de-
14 scribed in paragraph (1)(A)(ii)’.

15 “(2) AGRICULTURAL LAND.—For purposes of
16 paragraph (1), the term ‘agricultural land’ means—

17 “(A) agricultural land as defined in section
18 9 of the Agricultural Foreign Investment Dis-
19 closure Act of 1978 (7 U.S.C. 3508), and

20 “(B) land located in one or more States
21 and used for livestock production purposes (de-
22 termined under rules similar to the rules that
23 apply under such section 9).”.

24 (b) REPORTING REQUIREMENTS.—

1 (1) IN GENERAL.—Subpart B of part III of
2 subchapter A of chapter 61 is amended by adding at
3 the end the following new section:

4 **“SEC. 6050AA. RETURNS RELATING TO ACQUISITION OF**
5 **UNITED STATES AGRICULTURAL INTERESTS**
6 **BY DISQUALIFIED PERSONS.**

7 “(a) IN GENERAL.—The required reporting person,
8 with respect to any acquisition of any United States agri-
9 cultural interest by a presumptively disqualified person to
10 which section 5000E(a) applies, shall make a return at
11 such time as the Secretary may provide setting forth—

12 “(1) the name, address, and TIN of such pre-
13 sumptively disqualified person,

14 “(2) a description of such United States agri-
15 cultural interest (including the street address, if ap-
16 plicable), and

17 “(3) the amount paid for such United States
18 agricultural interest.

19 “(b) STATEMENT TO BE FURNISHED TO PRESUMP-
20 TIVELY DISQUALIFIED PERSON.—Every person required
21 to make a return under subsection (a) shall furnish, at
22 such time as the Secretary may provide, to each presump-
23 tively disqualified person whose name is required to be set
24 forth in such return a written statement showing—

1 “(1) the name and address of the information
2 contact of the required reporting person, and

3 “(2) the information described in paragraphs
4 (1), (2), and (3) of subsection (a) which relates to
5 such disqualified person.

6 “(c) **REQUIRED REPORTING PERSON.**—For purposes
7 of this section, the term ‘required reporting person’
8 means, with respect to any acquisition of any United
9 States agricultural interest—

10 “(1) the person (including any attorney or title
11 company) responsible for closing the transaction in
12 which such United States agricultural interest is ac-
13 quired, or

14 “(2) if no one is responsible for closing such
15 transaction (or in such other cases as the Secretary
16 may provide), the transferor of such United States
17 agricultural interest.

18 “(d) **PRESUMPTIVELY DISQUALIFIED PERSON.**—For
19 purposes of this section, the term ‘presumptively disquali-
20 fied person’ means any person unless such person fur-
21 nishes to the required reporting person an affidavit by the
22 such person stating, under penalty of perjury, that such
23 person is not a disqualified person (as defined in section
24 5000E(b)).

1 “(e) REQUIREMENT TO REQUEST AFFIDAVIT.—If the
2 required reporting person, with respect to any acquisition
3 of any United States agricultural interest, has not, as of
4 the time of such acquisition, been furnished the affidavit
5 described in subsection (d) by the acquirer of such inter-
6 est, such required reporting person shall furnish to such
7 acquirer, at such time, a written statement informing such
8 acquirer of the required reporting person’s obligation to
9 make the return described in subsection (a) with respect
10 to such acquisition and including such other information
11 as the Secretary may require.

12 “(f) UNITED STATES AGRICULTURAL INTEREST.—
13 For purposes of this section, the term ‘United States agri-
14 cultural interest’ has the meaning given such term in sec-
15 tion 5000E.”.

16 (2) PENALTIES.—Section 6724(d) is amend-
17 ed—

18 (A) in paragraph (1)(B), by striking “or”
19 at the end of clause (xxvii), by striking “and”
20 at the end of clause (xxviii) and inserting “or”,
21 and by adding at the end the following new
22 clause:

23 “(xxix) section 6050AA(a) (relating to
24 returns relating to acquisition of United

1 States agricultural interests by disqualified
2 persons), and”, and

3 (B) in paragraph (2), by striking “or” at
4 the end of subparagraph (KK), by striking the
5 period at the end of subparagraph (LL) and in-
6 serting “, or”, and by inserting after subpara-
7 graph (LL) the following new subparagraph:

8 “(MM) subsection (b) or (e) of section
9 6055AA (relating to statements relating to ac-
10 quisition of United States agricultural interests
11 by disqualified persons).”.

12 (c) CLERICAL AMENDMENTS.—

13 (1) The table of chapters for subtitle D is
14 amended by inserting after the item relating to
15 chapter 50A the following new item:

“CHAPTER 50B. ACQUISITION OF UNITED STATES AGRICULTURAL
INTERESTS BY DISQUALIFIED PERSONS.”.

16 (2) The table of sections for subpart B of part
17 III of subchapter A of chapter 61 is amended by
18 adding at the end the following new item:

“Sec. 6050AA. Returns relating to acquisition of United States agricultural in-
terests by disqualified persons.”.

19 (d) EFFECTIVE DATE.—The amendments made by
20 this section shall apply to acquisitions after the date of
21 the enactment of this Act.

1 **TITLE III—REPEAL OF SPECIAL**
2 **INTEREST TAX PROVISIONS**

3 **SEC. 301. REPEAL OF CLEAN ELECTRICITY PRODUCTION**
4 **CREDIT.**

5 (a) **IN GENERAL.**—Subpart D of part IV of sub-
6 chapter A of chapter 1 is amended by striking section 45Y
7 (and by striking the item relating to such section in the
8 table of sections for such subpart).

9 (b) **CONFORMING AMENDMENTS.**—

10 (1) Section 38(b), as amended by the preceding
11 provisions of this Act, is amended—

12 (A) by striking paragraph (37), and

13 (B) by redesignating paragraphs (38) and
14 (39) as paragraphs (37) and (38), respectively.

15 (2) Section 6417(b), as amended by the pre-
16 ceding provisions of this Act, is amended by striking
17 paragraph (7) and redesignating paragraphs (8)
18 through (11) as paragraphs (7) through (10), re-
19 spectively.

20 (3) Section 6418(f)(1) is amended—

21 (A) in subparagraph (A), by striking
22 clause (vii) and by redesignating clauses (viii)
23 through (xi) as clauses (vii) through (x), respec-
24 tively, and

1 (B) in subparagraph (B), by striking “(v),
2 or (vii)” and inserting “or (v)”.

3 (c) EFFECTIVE DATE.—The amendments made by
4 this section shall take effect as if included in section
5 13701 of Public Law 117–169.

6 **SEC. 302. REPEAL OF CLEAN ELECTRICITY INVESTMENT**
7 **CREDIT.**

8 (a) IN GENERAL.—Subpart E of part IV of sub-
9 chapter A of chapter 1 is amended by striking section 48E
10 (and by striking the item relating to such section in the
11 table of sections for such subpart).

12 (b) CONFORMING AMENDMENTS.—

13 (1) Section 46, as amended by Public Law
14 117–169, is amended—

15 (A) in paragraph (5), by adding “and” at
16 the end,

17 (B) in paragraph (6), by striking “, and”
18 and inserting a period, and

19 (C) by striking paragraph (7).

20 (2) Section 48(e)(4)(D) is amended by striking
21 “except as provided in section 48E(h)(4)(D)(ii)”.

22 (3) Section 48C(f) is amended by striking
23 “48E,”.

24 (4) Section 49(a)(1)(C), as amended by Public
25 Law 117–169, is amended—

1 (A) by adding “and” at the end of clause
2 (v),

3 (B) by striking the comma at the end of
4 clause (vi) and inserting a period, and

5 (C) by striking clauses (vii) and (viii).

6 (5) Section 50(a)(2)(E), as amended by Public
7 Law 117–169, is amended by striking “48D(b)(5),
8 or 48E(e)” and inserting “or 48D(b)(5)”.

9 (6) Section 50(c)(3), as amended by Public
10 Law 117–169, is amended by striking “or clean elec-
11 tricity investment credit”.

12 (7) Section 168(e)(3)(B), as amended by Public
13 Law 117–169, is amended—

14 (A) in clause (vi)(III), by inserting “and”
15 at the end,

16 (B) in clause (vii), by striking “, and” and
17 inserting a period, and

18 (C) by striking clause (viii).

19 (8) Section 6417(b), as amended by the pre-
20 ceding provisions of this Act, is amended by striking
21 paragraph (9).

22 (9) Section 6418(f)(1)(A), as amended by the
23 preceding provisions of this Act, is amended by
24 striking clause (ix).

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall take effect as if included in section
3 13702 of Public Law 117–169.

4 **SEC. 303. MODIFICATION OF CLEAN VEHICLE CREDIT.**

5 (a) PER VEHICLE DOLLAR LIMITATION.—Section
6 30D(b) is amended by striking paragraphs (2) and (3) and
7 inserting the following:

8 “(2) BASE AMOUNT.—The amount determined
9 under this paragraph is \$2,500.

10 “(3) BATTERY CAPACITY.—In the case of a ve-
11 hicle which draws propulsion energy from a battery
12 with not less than 5 kilowatt hours of capacity, the
13 amount determined under this paragraph is \$417,
14 plus \$417 for each kilowatt hour of capacity in ex-
15 cess of 5 kilowatt hours. The amount determined
16 under this paragraph shall not exceed \$5,000.”.

17 (b) FINAL ASSEMBLY.—Section 30D(d) is amend-
18 ed—

19 (1) in paragraph (1), by striking subparagraph
20 (G), and

21 (2) by striking paragraph (5).

22 (c) ADDITIONAL MODIFICATIONS TO VEHICLE DEFINI-
23 TION.—

24 (1) IN GENERAL.—Section 30D(d), as amended
25 by subsection (b), is amended—

- 1 (A) in the heading, by striking “CLEAN”
2 and inserting “QUALIFIED PLUG-IN ELECTRIC
3 DRIVE MOTOR”,
- 4 (B) in paragraph (1)—
- 5 (i) in the matter preceding subpara-
6 graph (A), by striking “clean” and insert-
7 ing “qualified plug-in electric drive motor”,
- 8 (ii) in subparagraph (C), by striking
9 “qualified” before “manufacturer”,
- 10 (iii) in subparagraph (E), by adding
11 “and” at the end,
- 12 (iv) in subparagraph (F)—
- 13 (I) in clause (i), by striking “7”
14 and inserting “4”, and
- 15 (II) in clause (ii), by striking the
16 comma at the end and inserting a pe-
17 riod, and
- 18 (v) by striking subparagraph (H),
19 (C) in paragraph (3)—
- 20 (i) in the heading, by striking “QUALI-
21 FIED MANUFACTURER” and inserting
22 “MANUFACTURER”, and
- 23 (ii) by striking “The term ‘qualified
24 manufacturer’ means” and all that follows
25 through the period and inserting “The

1 term ‘manufacturer’ has the meaning given
2 such term in regulations prescribed by the
3 Administrator of the Environmental Pro-
4 tection Agency for purposes of the admin-
5 istration of title II of the Clean Air Act
6 (42 U.S.C. 7521 et seq.).”, and
7 (D) by striking paragraph (6).

8 (2) CONFORMING AMENDMENTS.—Section 30D
9 is amended—

10 (A) in subsection (a), by striking “new
11 clean vehicle” and inserting “new qualified
12 plug-in electric drive motor vehicle”, and

13 (B) in subsection (b)(1), by striking “new
14 clean vehicle” and inserting “new qualified
15 plug-in electric drive motor vehicle”.

16 (d) CRITICAL MINERAL AND BATTERY COMPONENT
17 REQUIREMENT MODIFICATIONS.—

18 (1) IN GENERAL.—Section 30D(e), as added by
19 Public Law 117–169, is amended by striking para-
20 graphs (1) and (2), by redesignating paragraph (3)
21 as paragraph (4), and by inserting before paragraph
22 (4) (as so redesignated) the following new para-
23 graphs:

24 “(1) CRITICAL MINERALS REQUIREMENT.—No
25 credit shall be allowed under this section with re-

1 spect to any vehicle unless, with respect to the bat-
2 tery from which the electric motor of such vehicle
3 draws electricity, the percentage of the value of the
4 applicable critical minerals (as defined in section
5 45X(c)(6)) contained in such battery that were—

6 “(A) extracted or processed—

7 “(i) in the United States, or

8 “(ii) in any country with which the
9 United States has a free trade agreement
10 in effect, or

11 “(B) recycled in North America,

12 is equal to or greater than 80 percent (as certified
13 by the manufacturer, in such form or manner as
14 prescribed by the Secretary). For purposes of sub-
15 paragraph (A)(ii), the term ‘free trade agreement’
16 means an international agreement approved by Con-
17 gress that eliminates duties and other restrictive
18 regulations of commerce on substantially all the
19 trade between the United States and one or more
20 other countries.

21 “(2) BATTERY COMPONENTS.—No credit shall
22 be allowed under this section with respect to any ve-
23 hicle unless, with respect to the battery from which
24 the electric motor of such vehicle draws electricity,
25 all of the components contained in such battery were

1 manufactured or assembled in North America (as
2 certified by the manufacturer, in such form or man-
3 ner as prescribed by the Secretary).

4 “(3) RESTRICTION ON FOREIGN ENTITIES OF
5 CONCERN.—No credit shall be allowed under this
6 section which respect to any vehicle placed in service
7 after December 31, 2024, if any of the applicable
8 critical minerals contained in the battery of such ve-
9 hicle (as described in paragraph (1)) were extracted,
10 processed, or recycled by a foreign entity of concern
11 (as defined in section 40207(a)(5) of the Infrastruc-
12 ture Investment and Jobs Act (42 U.S.C.
13 18741(a)(5))).”.

14 (2) CONFORMING AMENDMENT.—Section
15 30D(d) is amended by striking paragraph (7).

16 (e) TRANSFER OF CREDIT REPEALED.—

17 (1) IN GENERAL.—Section 30D is amended by
18 striking subsection (g).

19 (2) CONFORMING AMENDMENTS REVERSED.—
20 Section 30D(f) is amended—

21 (A) by inserting after paragraph (2) the
22 following:

23 “(3) PROPERTY USED BY TAX-EXEMPT ENTITY.—In
24 the case of a vehicle the use of which is described in para-
25 graph (3) or (4) of section 50(b) and which is not subject

1 to a lease, the person who sold such vehicle to the person
2 or entity using such vehicle shall be treated as the tax-
3 payer that placed such vehicle in service, but only if such
4 person clearly discloses to such person or entity in a docu-
5 ment the amount of any credit allowable under subsection
6 (a) with respect to such vehicle (determined without re-
7 gard to subsection (c)). For purposes of subsection (c),
8 property to which this paragraph applies shall be treated
9 as of a character subject to an allowance for deprecia-
10 tion.”, and

11 (B) in paragraph (8), by striking “, includ-
12 ing any vehicle with respect to which the tax-
13 payer elects the application of subsection (g)”.

14 (f) REINSTATEMENT OF LIMITATION ON NUMBER OF
15 VEHICLES ELIGIBLE FOR CREDIT.—Section 30D is
16 amended by inserting after subsection (f) the following:

17 “(g) LIMITATION ON NUMBER OF NEW QUALIFIED
18 PLUG-IN ELECTRIC DRIVE MOTOR VEHICLES ELIGIBLE
19 FOR CREDIT.—

20 “(1) IN GENERAL.—In the case of a new quali-
21 fied plug-in electric drive motor vehicle sold during
22 the phaseout period, only the applicable percentage
23 of the credit otherwise allowable under subsection
24 (a) shall be allowed.

1 “(2) PHASEOUT PERIOD.—For purposes of this
2 subsection, the phaseout period is the period begin-
3 ning with the second calendar quarter following the
4 calendar quarter which includes the first date on
5 which the number of new qualified plug-in electric
6 drive motor vehicles manufactured by the manufac-
7 turer of the vehicle referred to in paragraph (1) sold
8 for use in the United States after December 31,
9 2009, is at least 200,000.

10 “(3) APPLICABLE PERCENTAGE.—For purposes
11 of paragraph (1), the applicable percentage is—

12 “(A) 50 percent for the first 2 calendar
13 quarters of the phaseout period,

14 “(B) 25 percent for the 3rd and 4th cal-
15 endar quarters of the phaseout period, and

16 “(C) 0 percent for each calendar quarter
17 thereafter.

18 “(4) CONTROLLED GROUPS.—Rules similar to
19 the rules of section 30B(f)(4) shall apply for pur-
20 poses of this subsection.”.

21 (g) TERMINATION REPEALED.—Section 30D is
22 amended by striking subsection (h).

23 (h) ADDITIONAL CONFORMING AMENDMENTS.—

24 (1) The heading of section 30D is amended by
25 striking “**CLEAN VEHICLE CREDIT**” and inserting

1 **“NEW QUALIFIED PLUG-IN ELECTRIC DRIVE**
2 **MOTOR VEHICLES”.**

3 (2) Section 30B(h)(8) is amended by inserting
4 “, except that no benefit shall be recaptured if such
5 property ceases to be eligible for such credit by rea-
6 son of conversion to a qualified plug-in electric drive
7 motor vehicle”, before the period at the end.

8 (3) Section 38(b)(30) is amended by striking
9 “clean” and inserting “qualified plug-in electric
10 drive motor”.

11 (4) The table of sections for subpart B of part
12 IV of subchapter A of chapter 1 is amended by
13 striking the item relating to section 30D and insert-
14 ing after the item relating to section 30C the fol-
15 lowing item:

“Sec. 30D. New qualified plug-in electric drive motor vehicles.”

16 (i) **GROSS UP REPEALED.**—Section 13401 of Public
17 Law 117–169 is amended by striking subsection (j).

18 (j) **EFFECTIVE DATES.**—

19 (1) **IN GENERAL.**—Except as otherwise pro-
20 vided in this subsection or subsection (k), the
21 amendments made by this section shall apply to ve-
22 hicles placed in service after the date of the intro-
23 duction of this Act.

24 (2) **FINAL ASSEMBLY AND MANUFACTURER**
25 **LIMITATION.**—The amendments made by subsections

1 (b) and (f) shall apply to vehicles sold after the date
2 of the introduction of this Act. Notwithstanding the
3 preceding sentence, the phaseout period (as defined
4 in section 30D(g) of the Internal Revenue Code of
5 1986, as amended by this section) shall be deter-
6 mined by taking into account all vehicles described
7 in section 30D(g) of such Code (as so amended).

8 (k) TRANSITION RULE.—Notwithstanding subsection
9 (j) (other than the last sentence of subsection (j)(2)), the
10 amendments made by this section shall not apply with re-
11 spect to any vehicle which is—

12 (1) acquired by the taxpayer pursuant to a
13 written binding contract that was in effect on the
14 date of the introduction of this Act, and

15 (2) placed in service before the date which is 1
16 year after the date of the introduction of this Act.

17 (l) COORDINATION WITH PROVISIONS WHICH HAVE
18 NOT TAKEN EFFECT.—

19 (1) TRANSFER OF CREDIT.—Notwithstanding
20 subsection (k)(4) of section 13401 of Public Law
21 117–169, the amendments made by subsection (g) of
22 such section shall not apply.

23 (2) PER VEHICLE DOLLAR LIMITS AND RE-
24 LATED REQUIREMENTS.—Notwithstanding sub-
25 section (k)(3) of section 13401 of Public Law 117–

1 169, the amendments made by subsection (a) of
2 such section shall not apply unless the guidance re-
3 ferred to in such subsection (k)(3) is issued on or
4 before the date of the introduction of this Act.

5 **SEC. 304. REPEAL OF CREDIT FOR PREVIOUSLY-OWNED**
6 **CLEAN VEHICLES.**

7 (a) **IN GENERAL.**—Subpart A of part IV of sub-
8 chapter A of chapter 1 is amended by striking section 25E
9 (and by striking the item relating to such section in the
10 table of sections for such subpart).

11 (b) **CONFORMING AMENDMENT.**—Section 6213(g)(2)
12 is amended—

13 (1) in subparagraph (T), by adding “and” at
14 the end,

15 (2) by striking subparagraph (U), and

16 (3) by redesignating subparagraph (V) as sub-
17 paragraph (U).

18 (c) **EFFECTIVE DATE.**—The amendments made by
19 this section shall apply to vehicles acquired after the date
20 of the introduction of this Act.

21 (d) **TRANSITION RULE.**—Notwithstanding subsection
22 (c), the amendments made by this section shall not apply
23 with respect to any vehicle which is—

1 (1) acquired by the taxpayer pursuant to a
2 written binding contract that was in effect on the
3 date of the introduction of this Act, and

4 (2) placed in service before the date which is 1
5 year after the date of the introduction of this Act.

6 (e) COORDINATION WITH PROVISIONS WHICH HAVE
7 NOT TAKEN EFFECT.—Notwithstanding subsection (e)(2)
8 of section 13402 of Public Law 117–169, the amendments
9 made by subsection (b) of such section shall not apply.

10 **SEC. 305. REPEAL OF CREDIT FOR QUALIFIED COMMERCIAL CLEAN VEHICLES.**
11

12 (a) IN GENERAL.—Subpart D of part IV of sub-
13 chapter A of chapter 1 is amended by striking section 45W
14 (and by striking the item relating to such section in the
15 table of sections for such subpart).

16 (b) CONFORMING AMENDMENTS.—

17 (1) Section 38(b) is amended—

18 (A) by striking paragraph (37), and

19 (B) by redesignating paragraphs (38),
20 (39), (40), and (41) as paragraphs (37), (38),
21 (39), and (40), respectively.

22 (2) Section 6213(g)(2), as amended by the pre-
23 ceding provisions of this Act, is amended—

24 (A) in subparagraph (S), by adding “and”
25 at the end,

1 (B) in subparagraph (T), by striking “,
2 and” and inserting a period, and

3 (C) by striking subparagraph (U).

4 (3) Section 6417(b) is amended by striking
5 paragraph (6) and redesignating paragraphs (7)
6 through (12) as paragraphs (6) through (11), re-
7 spectively.

8 (c) EFFECTIVE DATE.—The amendments made by
9 this subsection shall apply to vehicles acquired after the
10 date of the introduction of this Act.

11 (d) TRANSITION RULE.—Notwithstanding subsection
12 (c), the amendments made by this section shall not apply
13 with respect to any vehicle which is—

14 (1) acquired by the taxpayer pursuant to a
15 written binding contract that was in effect on the
16 date of the introduction of this Act, and

17 (2) placed in service before the date which is 1
18 year after the date of the introduction of this Act.