

109TH CONGRESS
2D SESSION

H. R. 6310

To amend the Internal Revenue Code of 1986 to provide a nonrefundable credit for the purchase of energy efficient tires.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 29, 2006

Mr. WELLER introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Internal Revenue Code of 1986 to provide a nonrefundable credit for the purchase of energy efficient tires.

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. NONREFUNDABLE CREDIT FOR ENERGY EFFI-**
4 **CIENT TIRES.**

5 (a) IN GENERAL.—Subpart A of part IV of sub-
6 chapter A of chapter 1 of the Internal Revenue Code of
7 1986 (relating to nonrefundable personal credits) is

1 amended by inserting after section 25D the following new
2 section:

3 **“SEC. 25E. ENERGY EFFICIENT TIRES.**

4 “(a) ALLOWANCE OF CREDIT.—In the case of an in-
5 dividual, there shall be allowed as a credit against the tax
6 imposed by this chapter for the taxable year an amount
7 equal to \$15 for each qualified energy efficient tire—

8 “(1) which is purchased by the taxpayer during
9 the taxable year for use by the taxpayer,

10 “(2) the original use of which commences with
11 the taxpayer, and

12 “(3) which is placed in service by the taxpayer
13 during the taxable year.

14 “(b) DEFINITION.—For purposes of this section, the
15 term ‘qualified energy efficient tire’ means a tire certified
16 as a qualified energy efficient tire pursuant to regulations
17 issued under section 30123(d) of title 49, United States
18 Code, that is purchased for use by the taxpayer and not
19 for resale.

20 “(c) LIMITATION BASED ON AMOUNT OF TAX.—In
21 the case of a taxable year to which section 26(a)(2) does
22 not apply, the credit allowed under subsection (a) for any
23 taxable year shall not exceed the excess of—

1 “(1) the sum of the regular tax liability (as de-
2 fined in section 26(b)) plus the tax imposed by sec-
3 tion 55, over

4 “(2) the sum of the credits allowable under this
5 subpart (other than this section) and section 27 for
6 the taxable year.

7 “(d) CARRYFORWARDS OF UNUSED CREDIT.—

8 “(1) RULE FOR YEARS IN WHICH ALL PER-
9 SONAL CREDITS ALLOWED AGAINST REGULAR AND
10 ALTERNATIVE MINIMUM TAX.—In the case of a tax-
11 able year to which section 26(a)(2) applies, if the
12 credit allowable under subsection (a) for any taxable
13 year exceeds the limitation imposed by section
14 26(a)(2) for such taxable year reduced by the sum
15 of the credits allowable under this subpart (other
16 than this section and sections 23, 25D, and 1400C),
17 such excess shall be carried to the succeeding tax-
18 able year and added to the credit allowable under
19 subsection (a) for such taxable year.

20 “(2) RULE FOR OTHER YEARS.—In the case of
21 a taxable year to which section 26(a)(2) does not
22 apply, if the credit allowable under subsection (a) for
23 any taxable year exceeds the limitation imposed by
24 subsection (c) for such taxable year, such excess
25 shall be carried to the succeeding taxable year and

1 added to the credit allowable under subsection (a)
2 for such taxable year.”.

3 (b) CONFORMING AMENDMENTS.—

4 (1) Section 23 of such Code is amended—

5 (A) in subsection (b)(4)(B) by inserting
6 “and section 25E” after “this section”, and

7 (B) in subsection (c)(1) by striking “25D
8 and” and inserting “25D, 25E, and”.

9 (2) Section 24(b)(3)(B) of such Code is amend-
10 ed by striking “and 25B” and inserting “25B, 25E,
11 and”.

12 (3) Clauses (i) and (ii) of section 25(e)(1)(C) of
13 such Code is both amended by inserting “25E,”
14 after “25D,”.

15 (4) Section 25D(c) of such Code is amended—

16 (A) in paragraph (1) by inserting “and
17 section 25E” after “this section”, and

18 (B) in paragraph (2) by striking “and
19 25B” and inserting “25B, and 25E”.

20 (5) Section 904(i) of such Code is amended by
21 striking “and 25D” and inserting “and 25E”.

22 (6) Section 1400C(d) of such Code is amend-
23 ed—

1 (A) in paragraph (1) by striking “and sec-
 2 tion 25D” and inserting “, 25D, and 25E”,
 3 and

4 (B) in paragraph (2) by striking “and
 5 25D” and inserting “25D, and 25E”.

6 (7) The table of sections for subpart A of part
 7 IV of subchapter A of chapter 1 of such Code (relat-
 8 ing to nonrefundable personal credits) is amended by
 9 inserting after the item relating to section 25D the
 10 following new item:

“Sec. 25E. Energy efficient tires.”.

11 (c) EFFECTIVE DATE.—The amendments made by
 12 this section shall apply to property placed in service in
 13 taxable years beginning after December 31, 2006.

14 **SEC. 2. ENERGY EFFICIENT TIRE LABELING.**

15 Section 30123 of title 49, United States Code, is
 16 amended by inserting after subsection (c) the following:

17 “(d) ENERGY EFFICIENT TIRE LABELING.—(1) The
 18 Secretary shall, by regulation, establish a system for the
 19 permanent labeling of tires, with respect to energy effi-
 20 ciency, similar to the system for other tire attributes con-
 21 tained in section 575.104 of title 49, Code of Federal Reg-
 22 ulations. Such regulations shall establish criteria for certi-
 23 fying replacement passenger tires as qualified energy effi-
 24 cient tires.

1 “(2) The primary factor for certifying replacement
2 tires as qualified energy efficient tires under the regula-
3 tions required by this subsection shall be achieving a roll-
4 ing resistance coefficient that is at least 10 percent lower
5 than the average rolling resistance coefficient (determined
6 by mathematical mean) among replacement passenger car
7 tires of comparable price, size, traction, speed capability,
8 and wear resistance, as determined for the year 2006.

9 “(3) No replacement tire shall be certified as a quali-
10 fied energy efficient tire under the regulations required by
11 this subsection if such tire has—

12 “(A) a uniform tire quality grade rating
13 below—

14 “(i) grade ‘A’ for traction;

15 “(ii) grade ‘300’ for treadwear; or

16 “(iii) grade ‘B’ for temperature; and

17 “(B) a speed rating of S or T.

18 “(4) As used in this subsection—

19 “(A) the term ‘uniform tire quality grade’
20 means the grade given a tire under the National
21 Highway Traffic Safety Administration’s Uniform
22 Tire Quality Grading System (section 575.104 of
23 title 49, Code of Federal Regulations);

24 “(B) the term ‘rolling resistance coefficient’
25 means the value of the rolling resistance force di-

1 vided by the wheel load, as determined by the ‘SAE
2 J1269’ or ‘SAE J2452’ tests developed by the Soci-
3 ety of Automotive Engineers; and

4 “(C) the term ‘replacement passenger car tires’
5 means passenger car tires within the scope of section
6 575 of title 49, Code of Federal Regulations, that
7 are not original tires included on a passenger vehicle
8 by the vehicle manufacturer.”.

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