

110TH CONGRESS  
1ST SESSION

# H. R. 2767

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

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 18, 2007

Mr. WELLER of Illinois 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

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## 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”.

### “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 qual-  
10 iied 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 other than 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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