

110TH CONGRESS
1ST SESSION

H. R. 3820

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

OCTOBER 10, 2007

Mr. THOMPSON of California (for himself, Mr. LEWIS of Kentucky, Mr. SHULER, Mr. LATOURETTE, Mr. DEFazio, Mr. LEVIN, Mrs. TAUSCHER, and Mr. ROGERS of Michigan) 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 2007”.

6 **SEC. 2. FINDINGS.**

7 Congress makes the following findings:

1 (1) Commercial motor vehicle crashes remain a
2 primary source of concern in the United States, par-
3 ticularly in light of the increasing numbers of trucks
4 and motorcoaches on the Nation's roads and their
5 critical role in the transportation of hazardous mate-
6 rials.

7 (2) A 2004 report by the National Cooperative
8 Highway Research Program found that when a large
9 truck is involved in a crash, it is about 2.6 times as
10 likely to result in a fatality compared with passenger
11 cars.

12 (3) The number of fatalities associated with
13 large truck crashes is a significant portion of all
14 crash fatalities in the United States. In 2005, 5,212
15 individuals died and 114,000 individuals were in-
16 jured as a result of large truck-related crashes in the
17 United States. Overall, from 2001 to 2005, there
18 have been 25,533 large truck-related fatalities in the
19 United States.

20 (4) In addition to the tremendous human loss,
21 these crashes also impose a significant economic cost
22 on society. The Department of Transportation esti-
23 mates that highway crashes cost society \$230.6 bil-
24 lion a year, about \$820 per person. A 2006 report
25 issued by the Federal Motor Carrier Safety Adminis-

1 tration determined that the estimated cost of each
2 crash involving a truck with a gross vehicle weight
3 rating of more than 10,000 pounds is \$91,112 while
4 the average cost of a fatal crash is \$3,604,518.

5 (5) Investments by vehicle suppliers and truck
6 and motorcoach manufacturers in research and inno-
7 vative design have created a new generation of ad-
8 vanced safety systems and technologies.

9 (6) Advanced safety technologies will directly
10 address, and help mitigate the effects of, commercial
11 motor vehicle crash scenarios.

12 (7) The Department of Transportation has set
13 a goal to reduce the traffic fatality rate to 1.0 per
14 hundred million vehicle miles traveled by 2011.

15 (8) The accelerated production, sale, and de-
16 ployment of advanced safety technologies on com-
17 mercial motor vehicles can speed the progress to-
18 ward this critical goal and reduce the daily injuries
19 and fatalities on the Nation's roads and highways.
20 This progress would also help to mitigate the soci-
21 etal cost of these crashes.

22 (9) Therefore, Congress finds that it is in the
23 interest of the United States to increase the deploy-
24 ment of advanced vehicle safety technologies on com-
25 mercial motor vehicles in the domestic market by

1 providing businesses with tax incentives, designed to
2 make such systems more affordable for purchase.

3 **SEC. 3. CREDIT FOR ADVANCED COMMERCIAL VEHICLE**
4 **SAFETY SYSTEMS.**

5 (a) IN GENERAL.—Subpart D of part IV of sub-
6 chapter A of chapter 1 of the Internal Revenue Code of
7 1986 (relating to business related credits) is amended by
8 adding at the end the following new section:

9 **“SEC. 450. CREDIT FOR COMMERCIAL VEHICLE ADVANCED**
10 **SAFETY SYSTEMS.**

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

17 “(b) LIMITATIONS.—

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

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

24 “(A) \$3,500, reduced by

1 “(B) the aggregate amount of credit al-
2 lowed to the taxpayer under this section with
3 respect to such vehicle for all prior taxable
4 years.

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

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

13 “(1)(A) such system is a brake stroke moni-
14 toring system, lane departure warning system, colli-
15 sion warning system, or vehicle stability system, or

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

1 “(2) such system is certified by the manufac-
2 turer of such system (before such vehicle is first
3 used by the taxpayer for its intended purpose after
4 installation of such system)—

5 “(A) to be appropriate for the make, type,
6 and model of the qualified commercial vehicle
7 on which it is to be installed, and

8 “(B) to function as designed if installed
9 properly,

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

18 “(4) the original use of such system begins with
19 the taxpayer, and

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

22 “(d) QUALIFIED COMMERCIAL VEHICLE.—For pur-
23 poses of this section—

1 “(1) IN GENERAL.—The term ‘qualified com-
2 mercial vehicle’ means any highway motor vehicle
3 if—

4 “(A) such vehicle—

5 “(i) is to be used to transport persons
6 or property in commerce, and

7 “(ii) has a gross combination weight
8 rating or a gross vehicle weight rating of
9 26,001 pounds or more, or

10 “(iii) the seating capacity of which is
11 at least 15 individuals (not including the
12 driver),

13 “(B) the seating capacity of such vehicle is
14 at least 11 individuals (not including the driver)
15 and such vehicle is reasonably expected to be
16 used as a school bus (as defined in section
17 4221(d)(7)(C)), or

18 “(C) such vehicle is reasonably expected to
19 be used as an intercity or local bus (as defined
20 in section 4221(d)(7)(B)).

21 “(e) OTHER DEFINITIONS.—For purposes of this
22 section—

23 “(1) BRAKE STROKE MONITORING SYSTEM.—

24 The term ‘brake stroke monitoring system’ means

1 any onboard-monitoring system for air-braked vehi-
2 cles that—

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

6 “(B) displays warnings to the driver show-
7 ing the existence and exact location and nature
8 of the problem.

9 “(2) LANE DEPARTURE WARNING SYSTEM.—

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

15 “(3) COLLISION WARNING SYSTEM.—The term
16 ‘collision warning system’ means any system that
17 monitors the roadway in front or to the rear of the
18 vehicle and warns the driver when a potential colli-
19 sion risk exists by providing the driver with an audi-
20 ble, visual, or tactile notification.

21 “(4) VEHICLE STABILITY SYSTEM.—The term
22 ‘vehicle stability system’ means any active safety
23 system that automatically intervenes when there is a
24 high risk of rollover or directional instability. For
25 purposes of the preceding sentence, active interven-

1 tions include automatically reducing vehicle speed or
2 by selectively applying appropriate brakes to better
3 align the vehicle to the appropriate path of travel.

4 “(f) CONTROLLED GROUPS.—

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

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

15 “(g) SPECIAL RULES.—

16 “(1) BASIS REDUCTION.—The basis of any
17 property for which a credit is allowable under sub-
18 section (a) shall be reduced by the amount of such
19 credit.

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

1 “(3) PROPERTY USED OUTSIDE UNITED STATES
2 NOT QUALIFIED.—No credit shall be allowed under
3 subsection (a) with respect to any property referred
4 to in section 50(b)(1) or with respect to the portion
5 of the cost of any property taken into account under
6 section 179.

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

12 “(A) the person who sold such property to
13 the person or entity using such property shall
14 be treated as the taxpayer that placed such
15 property in service, but only if such person
16 clearly discloses to such person or entity in a
17 document the amount of any credit allowable
18 under subsection (a) with respect to such prop-
19 erty (determined without regard to section
20 38(c)), and

21 “(B) paragraphs (2) and (3) of subsection
22 (c) shall not apply to such person with respect
23 to such property.

24 “(5) ELECTION NOT TO TAKE CREDIT.—No
25 credit shall be allowed under subsection (a) for any

1 qualified commercial vehicle advanced safety system
2 if the taxpayer elects to not have this section apply
3 to such system.

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

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

10 “(A) documentation that identifies—

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

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

18 “(B) the certification required under sub-
19 section (c)(2), and

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

24 “(i) TERMINATION.—This section shall not apply to
25 property placed in service after December 31, 2012.”.

1 (b) CREDIT TO BE PART OF GENERAL BUSINESS
2 CREDIT.—Subsection (b) of section 38 of such Code (re-
3 lating to general business credit) is amended by striking
4 “plus” at the end of paragraph (30), by striking the period
5 at the end of paragraph (31) and inserting “, plus”, and
6 by adding at the end the following new paragraph:

7 “(32) the commercial vehicle advanced safety
8 system credit determined under section 450(a).”.

9 (c) CONFORMING AMENDMENTS.—

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

15 “(38) to the extent provided in section
16 450(g)(1).”.

17 (2) Subsection (m) of section 6501 of such
18 Code is amended by inserting “450(g)(5),” after
19 “45C(d)(4),”.

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

“Sec. 450. Credit for commercial vehicle advanced safety systems.”.

1 (d) **EFFECTIVE DATE.**—The amendments made by
2 this section shall apply to property placed in service after
3 the date of the enactment of this Act.

○