To promote the domestic development and deployment of clean energy technologies required for the 21st century.

IN THE HOUSE OF REPRESENTATIVES

Ms. LOFGREN (for herself and Ms. MATSU) introduced the following bill; which was referred to the Committee on ______________________

A BILL

To promote the domestic development and deployment of clean energy technologies required for the 21st century.

Be it enacted by the Senate and House of Representa-
tives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the “Clean Energy Victory Bond Act of 2015”.

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

Sec. 1. Short title; table of contents.
Sec. 2. Findings.

TITLE I—CLEAN ENERGY VICTORY BONDS
Sec. 101. Clean Energy Victory Bonds.

TITLE II—REVENUE PROVISIONS

Sec. 201. Extension and modification of energy investment tax credit.
Sec. 202. Extension of residential energy efficient property credit.
Sec. 203. Extension and modification of credit for electricity produced from certain renewable resources.
Sec. 204. Extension of credit for nonbusiness energy property.
Sec. 205. Performance based home energy improvements.
Sec. 206. Extension of new energy efficient home credit.
Sec. 207. Extension and modification of energy efficient commercial buildings deduction.
Sec. 208. Plug-in electric vehicle grants in lieu of tax credits.

1 SEC. 2. FINDINGS.

Congress finds the following:

(1) There is enormous potential for increasing renewable energy production and energy efficiency installation in the United States.

(2) A major barrier to rapid expansion of renewable energy and energy efficiency is upfront capital costs. Government tax incentives and other assistance programs have proven beneficial in encouraging private sector development, manufacturing and installation of renewable energy and energy efficiency projects nationwide. However, these government incentives are not currently meeting demand from the private sector, and we are not taking full advantage of the potential for clean energy and transportation, as well as energy efficiency in the United States.

(3) Other nations, including China and Germany are ahead of the United States in manufac-
turing and deploying various clean energy technologies, even though the United States invented many of these technologies.

(4) Investments in renewable energy and energy efficiency projects in the United States create green jobs for United States citizens across the United States. Hundreds of thousands of jobs could be created through expanded government support for clean energy and energy efficiency.

(5) As Americans choose energy efficiency and clean energy and transportation, it reduces our dependence on foreign oil and improves our energy security.

(6) Bonds are a low-cost method for encouraging clean energy, not requiring direct budget allocations or expenditures. The projects supported through Clean Energy Victory Bonds will create jobs and business revenues that will increase Federal tax revenues, while simultaneously reducing health and environmental costs incurred by the Federal Government nationwide.

(7) In World War II, over 80 percent of American households purchased Victory Bonds to support the war effort, raising over $185 billion, or over $2 trillion in today’s dollars.
TITLE I—CLEAN ENERGY
VICTORY BONDS

SEC. 101. CLEAN ENERGY VICTORY BONDS.
(a) INITIAL CAPITALIZATION.—The Secretary of the Treasury shall issue Clean Energy Victory Bonds in an amount not to exceed $7,500,000,000 on the credit of the United States for purposes of raising revenue for the extension of certain energy-related tax benefits extended by this Act.

(b) DENOMINATIONS AND MATURITY.—Clean Energy Victory Bonds shall be in the form of United States Savings Bonds of Series EE or as administered by the Bureau of the Public Debt of the Department of the Treasury in denominations of $25, and shall mature within such periods as determined by the Secretary of the Treasury.

(c) INTEREST.—Clean Energy Victory Bonds shall bear interest at the rate the Secretary of the Treasury sets for Savings Bonds of Series EE and Series I, plus a rate of return determined by the Secretary of the Treasury which is based on the valuation of carbon mitigated or energy saved through funded projects funded from the proceeds of such bonds.

(d) PROMOTION.—
(1) IN GENERAL.—The Secretary of the Treasury shall take such actions, independently and in
conjunction with financial institutions offering Clean Energy Victory Bonds, to promote the purchase of Clean Energy Victory Bonds, including campaigns describing the financial and social benefits of purchasing Clean Energy Victory Bonds.

(2) PROMOTIONAL ACTIVITIES.—Such promotional activities may include advertisements, pamphlets, or other promotional materials—

(A) in periodicals;

(B) on billboards and other outdoor venues;

(C) on television;

(D) on radio;

(E) on the Internet;

(F) within financial institutions that offer Clean Energy Victory Bonds; or

(G) any other venues or outlets the Secretary of the Treasury may identify.

(3) LIMITATION.—There are authorized to be appropriated for such promotional activities not more than—

(A) $10,000,000 in the first year after the date of the enactment of this Act, and

(B) $2,000,000 in each year thereafter.

(e) FUTURE CAPITALIZATION.—
(1) **IN GENERAL.**—After the initial capitalization limit is reached under subsection (a), the Secretary of the Treasury may issue additional Clean Energy Victory Bonds on the credit of the United States.

(2) **SINGLE ISSUE LIMITATION.**—No such additional issue may exceed $7,500,000,000.

(3) **AGGREGATE LIMITATIONS.**—The aggregate of any such additional issues during the 4-year period beginning on the day after the initial capitalization limit is reached under subsection (a) may not exceed $50,000,000,000. The aggregate of any such additional issues after the expiration of such 4-year period may not exceed $50,000,000,000.

(f) **LAWFUL INVESTMENTS.**—Clean Energy Victory Bonds shall be lawful investments, and may be accepted as security for all fiduciary, trust, and public funds, the investment or deposit of which shall be under the authority or control of the United States or any officer or officers thereof.

**TITLE II—REVENUE PROVISIONS**

**SEC. 201. EXTENSION AND MODIFICATION OF ENERGY INVESTMENT TAX CREDIT.**

(a) **EXTENSION.**—
(1) **SOLAR ENERGY.**—Paragraphs (2)(A)(i)(II) and (3)(A)(ii) of section 48(a) of the Internal Revenue Code of 1986 are each amended by striking “January 1, 2017” and inserting “January 1, 2024”.

(2) **GEOTHERMAL HEAT PUMPS.**—Section 48(a)(3)(A)(vii) of such Code is amended by striking “January 1, 2017” and inserting “January 1, 2024”.

(3) **FUEL CELL PROPERTY.**—Section 48(c)(1)(D) of such Code is amended by striking “December 31, 2016” and inserting “December 31, 2023”.

(4) **MICROTURBINE PROPERTY.**—Section 48(c)(2)(D) of such Code is amended by striking “December 31, 2016” and inserting “December 31, 2023”.

(5) **COMBINED HEAT AND POWER.**—Section 48(c)(3)(iv) of such Code is amended by striking “January 1, 2017” and inserting “January 1, 2024”.

(6) **SMALL WIND.**—Section 48(c)(4)(C) of such Code is amended by striking “December 31, 2016” and inserting “December 31, 2023”.

(7) **OFFSHORE WIND.**—
(A) IN GENERAL.—Section 48(a)(5)(C)(ii) of such Code is amended—

(i) by striking “is placed in service in” and inserting the following: “is—

“(I) except as provided in subclause (II), placed in service in”,

(ii) by adding at the end the following new subclause:

“(II) in the case of an offshore wind facility, placed in service after December 31, 2008, and before January 1, 2022, and”.

(B) OFFSHORE WIND FACILITY.—Section 48(a)(5) of such Code is amended by adding at the end the following new subparagraph:

“(E) OFFSHORE WIND FACILITY.—The term ‘offshore wind facility’ means any qualified facility described in section 45(d)(1) and located in the inland navigable waters of the United States, including the Great Lakes, or in the coastal waters of the United States, including the territorial seas of the United States, the exclusive economic zone of the United States, and the outer Continental Shelf of the United States.”.
(b) Modification of Fuel Cell Property.—Section 48(c)(1) of such Code, as amended by this Act, is amended by redesignating subparagraph (D) as subparagraph (E) and by inserting after subparagraph (C) the following new subparagraph:

“(D) Exception for fuel derived from fossil fuels.—The term ‘qualified fuel cell powerplant’ shall not include any fuel cell powerplant the fuel of which is derived from, or is produced by using, any fossil fuel.”.

(c) Effective Date.—The amendments made by this section shall take effect on the date of the enactment of this Act.


(a) In General.—Section 25D(g) of the Internal Revenue Code of 1986 is amended by striking “December 31, 2016” and inserting “December 31, 2024”.

(b) Effective Date.—The amendment made by this section shall apply to taxable years beginning after December 31, 2016.
SEC. 203. EXTENSION AND MODIFICATION OF CREDIT FOR
ELECTRICITY PRODUCED FROM CERTAIN RENEWABLE RESOURCES.

(a) EXTENSION.—Section 45(d) of the Internal Revenue Code of 1986 is amended—

(1) by striking “January 1, 2015” in paragraph (1) and inserting “January 1, 2024”,

(2) by striking “January 1, 2015” each place it appears in paragraphs (2), (3), (4), (9), and (11) and inserting “January 1, 2024”, and

(3) by striking “January 1, 2006” in paragraph (4) and inserting “before January 1, 2006, or after the date of the enactment of the Clean Energy Victory Bond Act of 2015 and before January 1, 2024”.

(b) MODIFICATIONS WITH RESPECT TO CLOSED-LOOP BIOMASS.—

(1) IN GENERAL.—Section 45(c)(2) of such Code is amended to read as follows:

“(2) CLOSED-LOOP BIOMASS.—

“(A) IN GENERAL.—The term ‘closed-loop biomass’ means any organic matter from a plant which—

“(i) is planted exclusively for purposes of being used at a qualified facility to produce electricity, or
“(ii) is a byproduct from harvesting timber (including tops, branches, crooks) or is invasive woody vegetation that interferes with regeneration or the natural growth of the forest from which timber is harvested.

“(B) LIMITATION.—For purposes of subparagraph (A)(ii), byproduct from harvesting timber shall not be treated as closed-loop biomass unless—

“(i) such byproduct does not exceed 30 percent (by weight) of the harvested timber to which it relates, and

“(ii) the percentage byproduct removed (by weight) does not exceed—

“(I) 25 percent in the case of timber harvested from good soil, and

“(II) 0 percent in the case of timber harvested from poor soil.

For purposes of the preceding sentence, soil quality shall be determined by reference to soil classifications by the Natural Resources Conservation Service.”.
(2) QUALIFIED FACILITY.—Section 45(d)(2) of such Code is amended by adding at the end the following new subparagraph:

“(D) GREENHOUSE GAS EMISSIONS.—In the case of a facility placed in service after December 31, 2015, such term shall not include any facility unless, with respect to the facility, the taxpayer annually during the 10-year period described in subsection (a) demonstrates to the satisfaction of the Secretary that such facility’s use of closed-loop biomass will result in a 50-percent reduction in greenhouse gas emissions compared to a similar facility using natural gas combined-cycle generation.”.

(c) MODIFICATION OF OPEN-LOOP BIOMASS DEFINITION.—The second sentence of section 45(c)(3)(A) of such Code is amended—

(1) by striking “or biomass” and inserting “, biomass”, and

(2) by inserting before the period at the end the following: “, any biomass which is primarily a food crop, or biomass derived from any crop that displaces any forest existing on the date of the enactment of the Clean Energy Victory Bond Act of 2015”.

(d) MODIFICATION OF BIOFUEL AS QUALIFIED ENERGY RESOURCE.—

(1) IN GENERAL.—Section 45(c)(1) of such Code is amended by striking “and” at the end of subparagraph (H), by striking the period at the end of subparagraph (I) and inserting “, and”, and by adding at the end the following new subparagraph:

“(J) second generation biomass.”.

(2) SECOND GENERATION BIOMASS DEFINED.—
Section 45(c) of such Code is amended by adding at the end the following new paragraph:

“(11) SECOND GENERATION BIOMASS.—The term ‘second generation biomass’ means any biomass which is composed of lignocellulosic or hemicellulosic matter that is available on a renewable or recurring basis and that does not replace forested land (other than any fuel described in section 40(b)(6)(E)(iii)).”.

(3) QUALIFIED FACILITY.—Section 45(d) of such Code is amended by adding at the end the following new paragraph:

“(12) SECOND GENERATION BIOMASS.—In the case of a facility producing electricity from second generation biomass, the term ‘qualified facility’ means any facility owned by the taxpayer which is
originally placed in service on or after the date of
the enactment of this paragraph and before January
1, 2024.”.

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

SEC. 204. EXTENSION OF CREDIT FOR NONBUSINESS EN-
ERGY PROPERTY.

(a) IN GENERAL.—Section 25C(g)(2) of the Internal
Revenue Code of 1986 is amended by striking “December
31, 2014” and inserting “December 31, 2023”.

(b) EFFECTIVE DATE.—The amendment made by
this section shall apply to property placed in service after
December 31, 2014.

SEC. 205. PERFORMANCE BASED HOME ENERGY IMPROVE-
MENTS.

(a) IN GENERAL.—Subpart A of part IV of sub-
chapter A of chapter 1 of the Internal Revenue Code of
1986 is amended by adding at the end the following new
section:

“SEC. 25E. PERFORMANCE BASED ENERGY IMPROVE-
MENTS.

“(a) IN GENERAL.—In the case of an individual,
there shall be allowed as a credit against the tax imposed
by this chapter for the taxable year for a qualified whole
home energy efficiency retrofit an amount determined
under subsection (b).

“(b) AMOUNT DETERMINED.—

“(1) IN GENERAL.—Subject to paragraph (4),
the amount determined under this subsection is
equal to—

“(A) the base amount under paragraph
(2), increased by

“(B) the amount determined under para-
graph (3).

“(2) BASE AMOUNT.—For purposes of para-
graph (1)(A), the base amount is $2,000, but only
if the energy use for the residence is reduced by at
least 20 percent below the baseline energy use for
such residence as calculated according to paragraph
(5).

“(3) INCREASE AMOUNT.—For purposes of
paragraph (1)(B), the amount determined under this
paragraph is $500 for each additional 5 percentage
point reduction in energy use.

“(4) LIMITATION.—In no event shall the
amount determined under this subsection exceed the
lesser of—

“(A) $5,000 with respect to any residence,
“(B) 30 percent of the qualified home energy efficiency expenditures paid or incurred by the taxpayer under subsection (c) with respect to such residence.

“(5) Determination of Energy Use Reduction.—For purposes of this subsection—

“(A) In general.—The reduction in energy use for any residence shall be determined by modeling the annual predicted percentage reduction in total energy costs for heating, cooling, hot water, and permanent lighting. It shall be modeled using computer modeling software approved under subsection (d)(2) and a baseline energy use calculated according to subsection (d)(1)(C).

“(B) Energy costs.—For purposes of subparagraph (A), the energy cost per unit of fuel for each fuel type shall be determined by dividing the total actual energy bill for the residence for that fuel type for the most recent available 12-month period by the total energy units of that fuel type used over the same period.
“(c) Qualified Home Energy Efficiency Expenditures.—For purposes of this section, the term ‘qualified home energy efficiency expenditures’—

“(1) means any amount paid or incurred by the taxpayer during the taxable year for a qualified whole home energy efficiency retrofit, including the cost of diagnostic procedures, labor, and modeling,

“(2) includes only measures that have an average estimated life of 5 years or more as determined by the Secretary, after consultation with the Secretary of Energy,

“(3) does not include any amount which is paid or incurred in connection with any expansion of the building envelope of the residence, and

“(4) does not include improvements to swimming pools or hot tubs or any other expenditure specifically excluded by the Secretary, after consultation with the Secretary of Energy.

“(d) Qualified Whole Home Energy Efficiency Retrofit.—For purposes of this section—

“(1) In general.—The term ‘qualified whole home energy efficiency retrofit’ means the implementation of measures placed in service during the taxable year intended to reduce the energy use of the principal residence of the taxpayer which is located
in the United States. A qualified whole home energy
efficiency retrofit shall—

“(A) be designed, implemented, and in-
stalled by a contractor which is—

“(i) accredited by the Building Per-
formance Institute (hereafter in this sec-
tion referred to as ‘BPI’) or a preexisting
BPI accreditation-based State certification
program with enhancements to achieve
State energy policy,

“(ii) a Residential Energy Services
Network (hereafter in this section referred
to as ‘RESNET’) accredited Energy Smart
Home Performance Team, or

“(iii) accredited by an equivalent cer-
tification program approved by the Sec-
retary, after consultation with the Sec-
retary of Energy, for this purpose,

“(B) install a set of measures modeled to
achieve a reduction in energy use of at least 20
percent below the baseline energy use estab-
lished in subparagraph (C), using computer
modeling software approved under paragraph
(2),
“(C) establish the baseline energy use by calibrating the model using sections 3 and 4 and Annex D of BPI Standard BPI–2400–S–2011: Standardized Qualification of Whole House Energy Savings Estimates, or an equivalent standard approved by the Secretary, after consultation with the Secretary of Energy, for this purpose,

“(D) document the measures implemented in the residence through photographs taken before and after the retrofit, including photographs of its visible energy systems and envelope as relevant, and

“(E) implement a test-out procedure, following guidelines of the applicable certification program specified under clause (i) or (ii) of subparagraph (A), or equivalent guidelines approved by the Secretary, after consultation with the Secretary of Energy, for this purpose, to ensure—

“(i) the safe operation of all systems post retrofit, and

“(ii) that all improvements are included in, and have been installed according to, standards of the applicable certifi-
cation program specified under clause (i) or (ii) of subparagraph (A), or equivalent standards approved by the Secretary, after consultation with the Secretary of Energy, for this purpose.

For purposes of subparagraph (A)(iii), an organization or State may submit an equivalent certification program for approval by the Secretary, in consultation with the Secretary of Energy. The Secretary shall approve or deny such submission not later than 180 days after receipt, and, if the Secretary fails to respond in that time period, the submitted equivalent certification program shall be considered approved.

“(2) APPROVED MODELING SOFTWARE.—For purposes of paragraph (1)(B), the contractor shall use modeling software certified by RESNET as following the software verification test suites in section 4.2.1 of RESNET Publication No. 06–001 or certified by an alternative organization as following an equivalent standard, as approved by the Secretary, after consultation with the Secretary of Energy, for this purpose.

“(3) DOCUMENTATION.—The Secretary, after consultation with the Secretary of Energy, shall pre-
scribe regulations directing what specific documentation is required to be retained or submitted by the taxpayer in order to claim the credit under this section, which shall include, in addition to the photographs under paragraph (1)(D), a form approved by the Secretary that is completed and signed by the qualified whole home energy efficiency retrofit contractor under penalties of perjury. Such form shall include—

“(A) a statement that the contractor followed the specified procedures for establishing baseline energy use and estimating reduction in energy use,

“(B) the name of the software used for calculating the baseline energy use and reduction in energy use, the percentage reduction in projected energy savings achieved, and a statement that such software was certified for this program by the Secretary, after consultation with the Secretary of Energy,

“(C) a statement that the contractor will retain the details of the calculations and underlying energy bills for 5 years and will make such details available for inspection by the Sec-
secretary or the Secretary of Energy, if so requested,

“(D) a list of measures installed and a statement that all measures included in the reduction in energy use estimate are included in, and installed according to, standards of the applicable certification program specified under clause (i) or (ii) of subparagraph (A), or equivalent standards approved by the Secretary, after consultation with the Secretary of Energy,

“(E) a statement that the contractor meets the requirements of paragraph (1)(A), and

“(F) documentation of the total cost of the project in order to comply with the limitation under subsection (b)(4)(B).

“(e) ADDITIONAL RULES.—For purposes of this section—

“(1) NO DOUBLE BENEFIT.—

“(A) IN GENERAL.—With respect to any residence, no credit shall be allowed under this section for any taxable year in which the taxpayer claims a credit under section 25C.

“(B) RENEWABLE ENERGY SYSTEMS AND APPLIANCES.—In the case of a renewable energy system or appliance that qualifies for an-
other credit under this chapter, the resulting reduction in energy use shall not be taken into account in determining the percentage energy use reductions under subsection (b).

“(C) NO DOUBLE BENEFIT FOR CERTAIN EXPENDITURES.—The term ‘qualified home energy efficiency expenditures’ shall not include any expenditure for which a deduction or credit is claimed by the taxpayer under this chapter for the taxable year or with respect to which the taxpayer receives any Federal energy efficiency rebate.

“(2) PRINCIPAL RESIDENCE.—The term ‘principal residence’ has the same meaning as when used in section 121.

“(3) SPECIAL RULES.—Rules similar to the rules under paragraphs (4), (5), (6), (7), and (8) of section 25D(e) and section 25C(e)(2) shall apply, as determined by the Secretary, after consultation with the Secretary of Energy.

“(4) BASIS ADJUSTMENTS.—For purposes of this subtitle, if a credit is allowed under this section with respect to any expenditure with respect to any property, the increase in the basis of such property which would (but for this paragraph) result from
such expenditure shall be reduced by the amount of
the credit so allowed.

“(5) ELECTION NOT TO CLAIM CREDIT.—No
credit shall be determined under subsection (a) for
the taxable year if the taxpayer elects not to have
subsection (a) apply to such taxable year.

“(6) MULTIPLE YEAR RETROФITS.—If the tax-
payer has claimed a credit under this section in a
previous taxable year, the baseline energy use for the
calculation of reduced energy use must be estab-
lished after the previous retrofit has been placed in
service.

“(f) TERMINATION.—This section shall not apply
with respect to any costs paid or incurred after December
31, 2024.

“(g) SECRETARY REVIEW.—The Secretary, after con-
sultation with the Secretary of Energy, shall establish a
review process for the retrofits performed, including an es-
timate of the usage of the credit and a statistically valid
analysis of the average actual energy use reductions, uti-
lizing utility bill data collected on a voluntary basis, and
report to Congress not later than June 30, 2017, any find-
ings and recommendations for—

“(1) improvements to the effectiveness of the
credit under this section, and
“(2) expansion of the credit under this section to rental units.”.

(b) CONFORMING AMENDMENTS.—

(1) Section 1016(a) of such Code is amended—

(A) by striking “and” at the end of paragraph (36),

(B) by striking the period at the end of paragraph (37) and inserting “, and”, and

(C) by adding at the end the following new paragraph:

“(38) to the extent provided in section 25E(e)(4), in the case of amounts with respect to which a credit has been allowed under section 25E.”.

(2) Section 6501(m) is amended by inserting “25E(e)(5),” after “section”.

(3) The table of sections for subpart A of part IV of subchapter A chapter 1 is amended by inserting after the item relating to section 25D the following new item:

“Sec. 25E. Performance based energy improvements.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred for a qualified whole home energy efficiency retrofit placed in service after December 31, 2015.
SEC. 206. EXTENSION OF NEW ENERGY EFFICIENT HOME CREDIT.

(a) In General.—Section 45L(g) of the Internal Revenue Code of 1986 is amended by striking “December 31, 2014” and inserting “December 31, 2023”.

(b) Effective Date.—The amendment made by this section shall apply to homes acquired after December 31, 2014.

SEC. 207. EXTENSION AND MODIFICATION OF ENERGY EFFICIENT COMMERCIAL BUILDINGS DEDUCTION.

(a) In General.—Section 179D(h) of the Internal Revenue Code of 1986 is amended by striking “December 31, 2014” and inserting “December 31, 2023”.

(b) Increase in Deduction Limitations.—

(1) In General.—Section 179D(b)(1)(A) of such Code is amended by striking “$1.80” and inserting “$3.00”.

(2) Partial Pay.—Section 179D(d)(1)(A) is amended by striking “substituting ‘$.60’ for ‘$1.80’.” and inserting “substituting ‘$1.00’ for ‘$3.00’.”.

(3) Reduced Amount for Lower Efficiency Property.—Section 179D(d) of such Code is amended by adding at the end the following new paragraph:
“(1) 30 TO 50 PERCENT PROPERTY.—In the case of property which would be energy efficient commercial building property were subsection (c)(1)(D) applied by substituting ‘more than 30 percent and less than 50 percent’ for ‘50 percent or more’, subsection (b) shall be applied to such property by substituting ‘$1.80’ for ‘$3.00’.”.

(c) UPDATING PARTIAL ALLOWANCE REGULATIONS.—Section 179D(d)(1)(B) of such Code is amended by adding at the end the following: “Not later than 1 year after the date of the enactment of the Clean Energy Victory Bond Act of 2015, and every three years thereafter, the Secretary shall, after consultation with the Secretary of Energy, update the targets for such systems in such a manner as the Secretary determines will encourage innovation in commercial building energy efficiency.”.

(d) EFFECTIVE DATE.—The amendment made by this section shall apply to property placed in service after December 31, 2014.

SEC. 208. PLUG-IN ELECTRIC VEHICLE GRANTS IN LIEU OF TAX CREDITS.

(a) IN GENERAL.—The Secretary of Energy, in consultation with the Secretary of the Treasury, shall establish a voluntary program through which the Secretary of Energy shall—
(1) authorize the issuance of an electronic voucher to offset the purchase price of a qualified plug-in electric vehicle or a new qualified plug-in electric drive motor vehicle purchased from a dealer participating in the program;

(2) register dealers for participation in the program and require that all dealers so registered accept such vouchers as partial payment or down payment for the purchase of any such vehicle offered for sale by such dealer;

(3) make electronic payments to dealers for eligible transactions by such dealers; and

(4) in consultation with the Inspector General of the Department of Transportation establish and provide for the enforcement of measures to prevent and penalize fraud under the program.

(b) VOUCHER LIMITATIONS.—A voucher issued under the program shall have a value that may be applied to offset the purchase price of a vehicle by—

(1) in the case of a qualified plug-in electric vehicle, $2,500; or

(2) in the case of a new qualified plug-in electric drive motor vehicle, $2,500 plus an amount determined with respect to the vehicle under section 30D(b)(3) of the Internal Revenue Code of 1986.
(c) Treated as Advance Payment of Credit.—

Use of a voucher under the program to offset the purchase price of a vehicle shall, for purposes of the Internal Revenue Code of 1986, be treated as advance payment of the credit allowed under section 30 or 30D of such Code, as the case may be, and the amount of credit which would (but for this paragraph) be allowable with respect to such vehicle under either such section shall be reduced (but not below zero) by the amount of the voucher so used.

(d) Definitions and Special Rules.—For purposes of this section—

(1) Qualified plug-in electric vehicle.—

The term “qualified plug-in electric vehicle” shall have the meaning given such term by section 30(d) of the Internal Revenue Code of 1986.

(2) New qualified plug-in electric drive motor vehicle.—The term “new qualified plug-in electric drive motor vehicle” shall have the meaning given such term by section 30D(d) of such Code.

(3) No combination of vouchers.—Only 1 voucher issued under the program may be applied toward the purchase of a single vehicle.

(4) Combination with other incentives permitted.—The availability or use of a Federal, State, or local incentive or a State-issued voucher
for the purchase of any vehicle shall not limit the value or issuance of a voucher under the program to any person otherwise eligible to receive such a voucher.

(5) No additional fees.—A dealer participating in the program may not charge a person purchasing a vehicle any additional fees associated with the use of a voucher under the program.

(6) Application of certain rules.—Rules similar to the rules of paragraphs (1), (2), (3), (4), and (5) of section 30(e) of such Code shall apply for purposes of this section.

(e) Termination and phaseout.—

(1) Termination for qualified plug-in electric vehicles.—This section shall not apply to any qualified plug-in electric vehicle acquired after December 31, 2018.

(2) Phaseout for new qualified plug-in electric drive motor vehicle.—The amount of any voucher with respect to any new qualified plug in electric drive motor vehicle shall be reduced as provided in section 30D(e) of the Internal Revenue Code of 1986.

(f) Regulations.—The Secretary of Energy, in consultation with the Secretary of the Treasury, shall pre-
scribe such regulations as may be necessary or appropriate to carry out the purposes of this section.