

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 3938
OFFERED BY MR. SMITH OF MISSOURI**

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE; TABLE OF CONTENTS, ETC.

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

4 (b) AMENDMENT OF 1986 CODE.—Except as other-
5 wise expressly provided, whenever in this Act an amend-
6 ment or repeal is expressed in terms of an amendment
7 to, or repeal of, a section or other provision, the reference
8 shall be considered to be made to a section or other provi-
9 sion of the Internal Revenue Code of 1986.

10 (c) TABLE OF CONTENTS.—The table of contents for
11 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 regulations.

Sec. 203. Imposition of tax on the acquisition of United States agricultural interests 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.

1 **TITLE I—INVESTMENT IN**
2 **AMERICA**

3 **SEC. 101. DEDUCTION FOR RESEARCH AND EXPERIMENTAL**
4 **EXPENDITURES.**

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

8 “(e) SUSPENSION OF APPLICATION.—This section
9 shall apply to amounts paid or incurred in taxable years
10 beginning after December 31, 2025 (and shall not apply
11 to amounts paid or incurred in taxable years beginning
12 on or before such date).”.

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

17 **“SEC. 174A. TEMPORARY RULES FOR RESEARCH AND EX-**
18 **PERIMENTAL EXPENDITURES.**

19 “(a) TREATMENT AS EXPENSES.—Notwithstanding
20 section 263, there shall be allowed as a deduction any re-
21 search or experimental expenditures which are paid or in-

1 curred by the taxpayer during the taxable year in connec-
2 tion with the taxpayer's trade or business.

3 “(b) AMORTIZATION OF CERTAIN RESEARCH AND
4 EXPERIMENTAL EXPENDITURES.—

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

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

11 “(B) would (but for subsection (a)) be
12 chargeable to capital account but not charge-
13 able to property of a character which is subject
14 to the allowance under section 167 (relating to
15 allowance for depreciation, etc.) or section 611
16 (relating to allowance for depletion),

17 may be treated as deferred expenses to which sub-
18 section (a) does not apply. In computing taxable in-
19 come, such deferred expenses shall be allowed as a
20 deduction ratably over such period of not less than
21 60 months as may be selected by the taxpayer (be-
22 ginning with the month in which the taxpayer first
23 realizes benefits from such expenditures). Such de-
24 ferred expenses are expenditures properly chargeable

1 to capital account for purposes of section 1016(a)(1)
2 (relating to adjustments to basis of property).

3 “(2) TIME FOR AND SCOPE OF ELECTION.—The
4 election provided by paragraph (1) may be made for
5 any taxable year, but only if made not later than the
6 time prescribed by law for filing the return for such
7 taxable year (including extensions thereof). The
8 method so elected, and the period selected by the
9 taxpayer, shall be adhered to in computing taxable
10 income for the taxable year for which the election is
11 made and for all subsequent taxable years unless,
12 with the approval of the Secretary, a change to a
13 different method (or to a different period) is author-
14 ized with respect to part or all of such expenditures.
15 The election shall not apply to any expenditure paid
16 or incurred during any taxable year before the tax-
17 able year for which the taxpayer makes the election.

18 “(c) ELECTION TO CAPITALIZE EXPENSES.—In the
19 case of a taxpayer which elects (at such time and in such
20 manner as the Secretary may provide) the application of
21 this subsection, subsections (a) and (b) shall not apply.
22 Such election shall not apply to any expenditure paid or
23 incurred during any taxable year before the taxable year
24 for which the taxpayer makes the election and may be
25 made with respect to part of the expenditures paid or in-

1 curred during any taxable year only with the approval of
2 the Secretary.

3 “(d) LAND AND OTHER PROPERTY.—This section
4 shall not apply to any expenditure for the acquisition or
5 improvement of land, or for the acquisition or improve-
6 ment of property to be used in connection with the re-
7 search or experimentation and of a character which is sub-
8 ject to the allowance under section 167 (relating to allow-
9 ance for depreciation, etc.) or section 611 (relating to al-
10 lowance for depletion); but for purposes of this section al-
11 lowances under section 167, and allowances under section
12 611, shall be considered as expenditures.

13 “(e) EXPLORATION EXPENDITURES.—This section
14 shall not apply to any expenditure paid or incurred for
15 the purpose of ascertaining the existence, location, extent,
16 or quality of any deposit of ore or other mineral (including
17 oil and gas).

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

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

1 “(h) COORDINATION WITH RESEARCH CREDIT.—

2 “(1) IN GENERAL.—Section 41(d)(1)(A) shall
3 be applied by substituting ‘expenses under section
4 174A’ for ‘specified research or experimental ex-
5 penditures under section 174’.

6 “(2) DENIAL OF DOUBLE BENEFIT.—

7 “(A) IN GENERAL.—Section 280C(c) shall
8 not apply and the amount taken into account
9 under this section as research or experimental
10 expenditures shall be reduced by the amount of
11 the credit allowable under section 41(a).

12 “(B) ELECTION OF REDUCED CREDIT.—

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

16 “(I) subparagraph (A) shall not
17 apply, and

18 “(II) the amount of the credit
19 under section 41(a) shall be the
20 amount determined under clause (ii).

21 “(ii) AMOUNT OF REDUCED CRED-
22 IT.—The amount of credit determined
23 under this clause for any taxable year shall
24 be the amount equal to the excess of—

1 “(I) the amount of credit deter-
2 mined under section 41(a) without re-
3 gard to this subparagraph, over

4 “(II) the product of the amount
5 described in subclause (I), multiplied
6 by the rate of tax under section 11(b).

7 “(iii) ELECTION.—An election under
8 this subparagraph for any taxable year
9 shall be made not later than the time for
10 filing the return of tax for such year (in-
11 cluding extensions), shall be made on such
12 return, and shall be made in such manner
13 as the Secretary may prescribe. Such an
14 election, once made, shall be irrevocable.

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

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

1 “(j) COORDINATION WITH CERTAIN OTHER PROVI-
2 SIONS.—A reference to the corresponding provision of this
3 section shall be treated as included in any reference to
4 section 174 in section 56(b), 59(e), 144(a), 168(i), 170(e),
5 195(e), 263(a), 263A(c), 469(c), 543(d), 864(g), 993(d),
6 1016(a)(14), 1202(a), or 1298(e).

7 “(k) TERMINATION.—

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

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

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

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

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

24 “(c) COORDINATION OF AMORTIZATION WITH CER-
25 TAIN OTHER PROVISIONS.—Section 174, as amended by

1 subsection (a), is amended by redesignating subsection (e)
2 as subsection (f) and by inserting after subsection (d) the
3 following new subsection:

4 “(e) COORDINATION WITH CERTAIN OTHER PROVI-
5 SIONS.—

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

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

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

21 (d) CONFORMING AMENDMENTS.—

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

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

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

5 (e) EFFECTIVE DATE.—

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

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

14 (f) TRANSITION RULES.—

15 (1) ELECTION REGARDING TREATMENT AS
16 CHANGE IN METHOD OF ACCOUNTING.—In the case
17 of any taxpayer which (as of the date of the enact-
18 ment of this Act) had adopted a method of account-
19 ing provided by section 174 of the Internal Revenue
20 Code of 1986 (as in effect prior to the amendments
21 made by this section) for the taxpayer’s first taxable
22 year beginning after December 31, 2021, and elects
23 the application of this paragraph—

24 (A) the amendments made by this section
25 shall be treated as a change in method of ac-

1 counting for purposes of section 481 of such
2 Code,

3 (B) such change shall be treated as initi-
4 ated by the taxpayer for the taxpayer's imme-
5 diately succeeding taxable year,

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

8 (D) such change shall be applied on a
9 modified cut-off basis, taking into account for
10 purposes of section 481(a) of such Code only
11 the capitalized expenditures which were not al-
12 lowed as an amortization deduction by reason
13 of section 174 prior to amendment by this Act
14 for the taxpayer's first taxable year beginning
15 after December 31, 2021.

16 (2) ELECTION REGARDING 10-YEAR WRITE-
17 OFF.—

18 (A) IN GENERAL.—An eligible taxpayer
19 which files, during the 1-year period beginning
20 on the date of the enactment of this Act, an
21 amended income tax return for the taxable year
22 described in subparagraph (B)(ii) may elect the
23 application of section 59(e) of the Internal Rev-
24 enue Code of 1986 with respect to qualified ex-
25 penditures described in section 59(e)(2)(B) of

1 such Code with respect to such taxable year.
2 Such election shall be filed with such amended
3 income tax return and shall be effective only to
4 the extent that such election would have been
5 effective if filed with the original income tax re-
6 turn for such taxable year.

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

10 (i) does not elect the application of
11 paragraph (1), and

12 (ii) filed an income tax return for
13 such taxpayer’s first taxable year begin-
14 ning after December 31, 2021, before the
15 earlier of—

16 (I) the due date for such return,
17 and

18 (II) the date of the enactment of
19 this Act.

1 **SEC. 102. EXTENSION OF ALLOWANCE FOR DEPRECIATION,**
2 **AMORTIZATION, OR DEPLETION IN DETER-**
3 **MINING THE LIMITATION ON BUSINESS IN-**
4 **TEREST.**

5 (a) IN GENERAL.—Section 163(j)(8)(A)(v) is amend-
6 ed by striking “January 1, 2022” and inserting “January
7 1, 2026”.

8 (b) EFFECTIVE DATE.—

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

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

19 **SEC. 103. EXTENSION OF 100 PERCENT BONUS DEPRECIA-**
20 **TION.**

21 (a) IN GENERAL.—Section 168(k)(6)(A) is amend-
22 ed—

23 (1) in clause (i)—

24 (A) by striking “2023” and inserting
25 “2026”, and

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

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

3 (b) PROPERTY WITH LONGER PRODUCTION PERI-
4 ODS.—Section 168(k)(6)(B) is amended—

5 (1) in clause (i)—

6 (A) by striking “2024” and inserting
7 “2027”, 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 (c) PLANTS BEARING FRUITS AND NUTS.—Section
12 168(k)(6)(C) is amended—

13 (1) in clause (i)—

14 (A) by striking “2023” and inserting
15 “2026”, 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 (d) EFFECTIVE DATES.—

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

24 (2) PLANTS BEARING FRUITS AND NUTS.—The
25 amendments made by subsection (c) shall apply to

1 specified plants planted or grafted after December
2 31, 2022.

3 **TITLE II—SUPPLY CHAIN**
4 **SECURITY**

5 **SEC. 201. TERMINATION OF HAZARDOUS SUBSTANCE**
6 **SUPERFUND FINANCING RATE.**

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

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

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

16 (1) by striking “December 31, 2032” and in-
17 sserting “the date of the enactment of the Build It
18 in America Act”, and

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

21 (c) EFFECTIVE DATE.—

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

24 (2) TERMINATION OF AUTHORITY FOR AD-
25 VANCES.—The amendments made by subsection (b)

1 shall take effect on the date of the enactment of this
2 Act.

3 **SEC. 202. ELECTION TO DETERMINE FOREIGN INCOME**
4 **TAXES PAID OR ACCRUED TO CERTAIN WEST-**
5 **ERN HEMISPHERE COUNTRIES WITHOUT RE-**
6 **GARD TO CERTAIN REGULATIONS.**

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

16 (b) SEPARATE ELECTION WITH RESPECT TO ALLO-
17 CATION AND APPORTIONMENT OF FOREIGN INCOME
18 TAXES RELATING TO DISREGARDED PAYMENTS FROM
19 CERTAIN DISREGARDED ENTITIES.—

20 (1) IN GENERAL.—If the owner of any specified
21 disregarded entity elects (at such time and in such
22 manner as the Secretary may provide) the applica-
23 tion of this subsection with respect to such entity,
24 then for purposes of allocating and apportioning any
25 foreign income taxes (as defined in section 986(a)(4)

1 of the Internal Revenue Code of 1986 and deter-
2 mined after the application of subsection (a) of this
3 section) paid or accrued by reason of any remittance
4 made by such entity to such owner during the appli-
5 cable period, any items of foreign gross income in-
6 cluded by reason of the receipt of such remittance
7 shall be assigned to a category based on current and
8 accumulated earnings and profits of such entity (in
9 lieu of being assigned on the basis of the tax book
10 value method described in a specified regulation).

11 (2) SPECIFIED DISREGARDED ENTITY.—For
12 purposes of this subsection, the term “specified dis-
13 regarded entity” means any entity (including any
14 trade or business) if—

15 (A) such entity is disregarded as an entity
16 separate from its owner for purposes of apply-
17 ing chapter 1 of the Internal Revenue Code of
18 1986,

19 (B) such entity is created or organized in
20 a possession of the United States or a foreign
21 country described in subsection (d)(1)(B),

22 (C) at all times after December 31, 2019
23 (or, if later, the date on which such entity is
24 created or organized) substantially all of the in-
25 come of such entity is derived from trades or

1 businesses conducted in the possession or coun-
2 try referred to in subparagraph (B), and

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

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

11 (1) any election under subsection (a) or (b)
12 shall be made by such controlled foreign corporation
13 and shall be binding on all United States share-
14 holders of such controlled foreign corporation, and

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

18 (d) WESTERN HEMISPHERE TAX.—For purposes of
19 this section—

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

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

1 (B) any foreign country (other than Cuba
2 and Venezuela) which is located in North, Cen-
3 tral, or South America (including the West In-
4 dies).

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

7 (A) in the case of any election made under
8 subsection (a), all taxable years beginning after
9 December 31, 2021, and before January 1,
10 2027, and

11 (B) in the case of any election made under
12 subsection (b), all taxable years beginning after
13 December 31, 2019, and before January 1,
14 2027.

15 (3) DETERMINATION BASED ON TAXABLE YEAR
16 FOR WHICH TAX ACTUALLY PAID OR ACCRUED.—
17 The determination of the taxable year for which any
18 tax is paid or accrued for purposes of determining
19 whether a foreign tax is paid or accrued for a tax-
20 able year which is in the applicable period shall be
21 made without regard to any taxable year with re-
22 spect to which such tax is deemed to have been paid
23 under section 904(c) or 960 of the Internal Revenue
24 Code of 1986.

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

3 (1) Treasury Regulations relating to “Guidance
4 Related to the Foreign Tax Credit; Clarification of
5 Foreign-Derived Intangible Income” (87 Fed. Reg.
6 276; published on January 4, 2022),

7 (2) proposed Treasury Regulations relating to
8 “Guidance Related to the Foreign Tax Credit” (87
9 Fed. Reg. 71271; published on November 22, 2022),
10 and

11 (3) any regulation or other guidance published
12 after January 4, 2022, to the extent that such regu-
13 lation or other guidance is substantially similar to,
14 or predicated upon, any portion of the regulations
15 referred to in paragraph (1) or (2).

16 In the case of any regulation or other guidance which is
17 published after the date of the enactment of this Act and
18 any portion of which is described in paragraph (3), the
19 Secretary shall identify such regulation or guidance (or
20 portion thereof) as not applying with respect to taxpayers
21 which have elected the application of subsection (a) or (b),
22 as the case may be.

23 (f) SECRETARY.—For purposes of this section, the
24 term “Secretary” means the Secretary of the Treasury or
25 the Secretary’s delegate.

1 **SEC. 203. IMPOSITION OF TAX ON THE ACQUISITION OF**
2 **UNITED STATES AGRICULTURAL INTERESTS**
3 **BY DISQUALIFIED PERSONS.**

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

6 **“CHAPTER 50B—ACQUISITION OF UNITED**
7 **STATES AGRICULTURAL INTERESTS**
8 **BY DISQUALIFIED PERSONS**

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

9 **“SEC. 5000E. IMPOSITION OF TAX ON ACQUISITION OF**
10 **UNITED STATES AGRICULTURAL INTERESTS**
11 **BY DISQUALIFIED PERSONS.**

12 “(a) IN GENERAL.—In the case of any acquisition of
13 any United States agricultural interest by any disqualified
14 person, there is hereby imposed on such person a tax equal
15 to 60 percent of the amount paid for such interest.

16 “(b) DISQUALIFIED PERSON.—For purposes of this
17 section—

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

20 “(A) any citizen of a country of concern
21 (other than a citizen, or lawful permanent resi-
22 dent, of the United States and other than an
23 individual domiciled in Taiwan possessing a

1 valid identification card or number issued by
2 the government of Taiwan),

3 “(B) any entity domiciled in a country of
4 concern (other than an entity domiciled in Tai-
5 wan),

6 “(C) any country of concern and any polit-
7 ical subdivision, agency, or instrumentality
8 thereof, and

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

13 “(2) COUNTRY OF CONCERN.—The term ‘coun-
14 try of concern’ means any country the government
15 of which is engaged in a long-term pattern or seri-
16 ous instances of conduct significantly adverse to the
17 national security of the United States or the security
18 and safety of United States persons, including the
19 People’s Republic of China, the Russian Federation,
20 Iran, North Korea, Cuba, and the regime of Nicolas
21 Maduro in Venezuela.

22 “(3) EXCEPTION FOR CERTAIN PUBLICLY
23 TRADED CORPORATIONS.—

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

1 “(i) such entity is a specified publicly
2 traded corporation, or

3 “(ii) specified publicly traded corpora-
4 tions (in the aggregate) control such enti-
5 ty.

6 “(B) SPECIFIED PUBLICLY TRADED COR-
7 PORATION.—

8 “(i) IN GENERAL.—The term ‘speci-
9 fied publicly traded corporation’ means any
10 corporation if—

11 “(I) the stock of such corporation
12 is regularly traded on an established
13 securities market located in the
14 United States, and

15 “(II) specified disqualified per-
16 sons do not (in the aggregate) control
17 such corporation.

18 “(ii) SPECIFIED DISQUALIFIED PER-
19 SONS.—The term ‘specified disqualified
20 persons’ means, with respect to any cor-
21 poration referred to in clause (i), any per-
22 son which—

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

1 “(II) 10-percent controls such
2 corporation.

3 “(c) PRORATED TAX ON ACQUISITIONS BY ENTITIES
4 NOT MORE THAN 50 PERCENT CONTROLLED BY DIS-
5 QUALIFIED PERSONS.—

6 “(1) IN GENERAL.—In the case of any disquali-
7 fied person described in subsection (b)(1)(D) with
8 respect to which persons described in subparagraphs
9 (A), (B), or (C) of subsection (b)(1) do not (in the
10 aggregate) control such disqualified person, sub-
11 section (a) shall be applied by substituting ‘the ap-
12 plicable percentage of the amount’ for ‘the amount’.

13 “(2) APPLICABLE PERCENTAGE.—For purposes
14 of this section, the term ‘applicable percentage’
15 means, with respect to any disqualified person to
16 which paragraph (1) applies, the highest percentage
17 which could be substituted for ‘50 percent’ both
18 places it appears in section 954(d)(3) without caus-
19 ing persons described in subparagraph (A), (B), or
20 (C) of subsection (b)(1) (in the aggregate) to control
21 (determined by taking into account such substi-
22 tution) such disqualified person.

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

24 “(1) IN GENERAL.—The term ‘control’ has the
25 meaning given such term under section 954(d)(3),

1 determined by treating the rules of section 958(a)(2)
2 as applying to both foreign and domestic corpora-
3 tions, partnerships, trusts, and estates.

4 “(2) 10-PERCENT CONTROL.—The term ‘10-
5 percent control’ means control (as defined in para-
6 graph (1)), determined by substituting ‘10 percent’
7 for ‘50 percent’ both places it appears in section
8 954(d)(3).

9 “(e) UNITED STATES AGRICULTURAL INTEREST.—
10 For purposes of this section—

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

15 “(A) paragraph (1)(A)(i) were applied by
16 substituting ‘an interest in agricultural land’
17 for ‘an interest in real property’ and all that
18 follows,

19 “(B) paragraph (1)(A)(ii) were applied by
20 substituting ‘such corporation was not a United
21 States real property holding corporation at the
22 time of acquisition’ for ‘such corporation’ and
23 all that follows,

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

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

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

7 “(A) agricultural land as defined in section
8 9 of the Agricultural Foreign Investment Dis-
9 closure Act of 1978 (7 U.S.C. 3508), and

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

14 (b) REPORTING REQUIREMENTS.—

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

18 **“SEC. 6050AA. RETURNS RELATING TO ACQUISITION OF**
19 **UNITED STATES AGRICULTURAL INTERESTS**
20 **BY DISQUALIFIED PERSONS.**

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

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

3 “(2) a description of such United States agri-
4 cultural interest (including the street address, if ap-
5 plicable), and

6 “(3) the amount paid for such United States
7 agricultural interest.

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

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

16 “(2) the information described in paragraphs
17 (1), (2), and (3) of subsection (a) which relates to
18 such disqualified person.

19 “(c) REQUIRED REPORTING PERSON.—For purposes
20 of this section, the term ‘required reporting person’
21 means, with respect to any acquisition of any United
22 States agricultural interest—

23 “(1) the person (including any attorney or title
24 company) responsible for closing the transaction in

1 which such United States agricultural interest is ac-
2 quired, or

3 “(2) if no one is responsible for closing such
4 transaction (or in such other cases as the Secretary
5 may provide), the transferor of such United States
6 agricultural interest.

7 “(d) PRESUMPTIVELY DISQUALIFIED PERSON.—For
8 purposes of this section, the term ‘presumptively disquali-
9 fied person’ means any person unless such person fur-
10 nishes to the required reporting person an affidavit by the
11 such person stating, under penalty of perjury, that such
12 person is not a disqualified person (as defined in section
13 5000E(b)).

14 “(e) REQUIREMENT TO REQUEST AFFIDAVIT.—If the
15 required reporting person, with respect to any acquisition
16 of any United States agricultural interest, has not, as of
17 the time of such acquisition, been furnished the affidavit
18 described in subsection (d) by the acquirer of such inter-
19 est, such required reporting person shall furnish to such
20 acquirer, at such time, a written statement informing such
21 acquirer of the required reporting person’s obligation to
22 make the return described in subsection (a) with respect
23 to such acquisition and including such other information
24 as the Secretary may require.

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

5 (2) PENALTIES.—Section 6724(d) is amend-
6 ed—

7 (A) in paragraph (1)(B), by striking “or”
8 at the end of clause (xxvii), by striking “and”
9 at the end of clause (xxviii) and inserting “or”,
10 and by adding at the end the following new
11 clause:

12 “(xxix) section 6050AA(a) (relating to
13 returns relating to acquisition of United
14 States agricultural interests by disqualified
15 persons), and”, and

16 (B) in paragraph (2), by striking “or” at
17 the end of subparagraph (KK), by striking the
18 period at the end of subparagraph (LL) and in-
19 serting “, or”, and by inserting after subpara-
20 graph (LL) the following new subparagraph:

21 “(MM) subsection (b) or (e) of section
22 6055AA (relating to statements relating to ac-
23 quisition of United States agricultural interests
24 by disqualified persons).”.

25 (c) CLERICAL AMENDMENTS.—

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

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

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

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

7 (d) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to acquisitions after the date of
9 the enactment of this Act.

10 **TITLE III—REPEAL OF SPECIAL** 11 **INTEREST TAX PROVISIONS**

12 **SEC. 301. REPEAL OF CLEAN ELECTRICITY PRODUCTION** 13 **CREDIT.**

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

18 (b) CONFORMING AMENDMENTS.—

19 (1) Section 38(b) is amended by striking para-
20 graph (39) and redesignating paragraphs (40) and
21 (41) as paragraphs (39) and (40), respectively.

22 (2) Section 6417(b) is amended by striking
23 paragraph (8) and redesignating paragraphs (9)

1 through (12) as paragraphs (8) through (11), re-
2 spectively.

3 (3) Section 6418(f)(1) is amended—

4 (A) in subparagraph (A), by striking
5 clause (vii) and by redesignating clauses (viii)
6 through (xi) as clauses (vii) through (x), respec-
7 tively, and

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

10 (c) EFFECTIVE DATE.—The amendments made by
11 this section shall take effect as if included in section
12 13701 of Public Law 117–169.

13 **SEC. 302. REPEAL OF CLEAN ELECTRICITY INVESTMENT**
14 **CREDIT.**

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

19 (b) CONFORMING AMENDMENTS.—

20 (1) Section 46, as amended by Public Law
21 117–169, is amended—

22 (A) in paragraph (5), by adding “and” at
23 the end,

24 (B) in paragraph (6), by striking “, and”
25 and inserting a period, and

1 (C) by striking paragraph (7).

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

4 (3) Section 48C(f) is amended by striking
5 “48E,”.

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

8 (A) by adding “and” at the end of clause
9 (v),

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

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

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

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

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

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

23 (B) in clause (vii), by striking “, and” and
24 inserting a period, and

25 (C) by striking clause (viii).

1 (8) Section 6417(b), as amended by the pre-
2 ceding provisions of this Act, is amended by striking
3 paragraph (11).

4 (9) Section 6418(f)(1)(A), as amended by the
5 preceding provisions of this Act, is amended by
6 striking clause (x).

7 (c) EFFECTIVE DATE.—The amendments made by
8 this section shall take effect as if included in section
9 13702 of Public Law 117–169.

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

11 (a) PER VEHICLE DOLLAR LIMITATION.—Section
12 30D(b) is amended by striking paragraphs (2) and (3) and
13 inserting the following:

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

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

23 (b) FINAL ASSEMBLY.—Section 30D(d) is amend-
24 ed—

1 (1) in paragraph (1), by striking subparagraph
2 (G), and
3 (2) by striking paragraph (5).

4 (c) ADDITIONAL MODIFICATIONS TO VEHICLE DEFINITION.—
5

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

8 (A) in the heading, by striking “CLEAN”
9 and inserting “QUALIFIED PLUG-IN ELECTRIC
10 DRIVE MOTOR”,

11 (B) in paragraph (1)—

12 (i) in the matter preceding subparagraph
13 (A), by striking “clean” and insert-
14 ing “qualified plug-in electric drive motor”,

15 (ii) in subparagraph (C), by striking
16 “qualified” before “manufacturer”,

17 (iii) in subparagraph (E), by adding
18 “and” at the end,

19 (iv) in subparagraph (F)—

20 (I) in clause (i), by striking “7”
21 and inserting “4”, and

22 (II) in clause (ii), by striking the
23 comma at the end and inserting a pe-
24 riod, and

25 (v) by striking subparagraph (H),

1 (C) in paragraph (3)—

2 (i) in the heading, by striking “QUALI-
3 FIED MANUFACTURER” and inserting
4 “MANUFACTURER”, and

5 (ii) by striking “The term ‘qualified
6 manufacturer’ means” and all that follows
7 through the period and inserting “The
8 term ‘manufacturer’ has the meaning given
9 such term in regulations prescribed by the
10 Administrator of the Environmental Pro-
11 tection Agency for purposes of the admin-
12 istration of title II of the Clean Air Act
13 (42 U.S.C. 7521 et seq.)”, and

14 (D) by striking paragraph (6).

15 (2) CONFORMING AMENDMENTS.—Section 30D
16 is amended—

17 (A) in subsection (a), by striking “new
18 clean vehicle” and inserting “new qualified
19 plug-in electric drive motor vehicle”, and

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

23 (d) CRITICAL MINERAL AND BATTERY COMPONENT
24 REQUIREMENT MODIFICATIONS.—

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

7 “(1) CRITICAL MINERALS REQUIREMENT.—No
8 credit shall be allowed under this section with re-
9 spect to any vehicle unless, with respect to the bat-
10 tery from which the electric motor of such vehicle
11 draws electricity, the percentage of the value of the
12 applicable critical minerals (as defined in section
13 45X(c)(6)) contained in such battery that were—

14 “(A) extracted or processed—

15 “(i) in the United States, or

16 “(ii) in any country with which the
17 United States has a free trade agreement
18 in effect, or

19 “(B) recycled in North America,

20 is equal to or greater than 80 percent (as certified
21 by the manufacturer, in such form or manner as
22 prescribed by the Secretary). For purposes of sub-
23 paragraph (A)(ii), the term ‘free trade agreement’
24 means an international agreement approved by Con-
25 gress that eliminates duties and other restrictive

1 regulations of commerce on substantially all the
2 trade between the United States and one or more
3 other countries.

4 “(2) BATTERY COMPONENTS.—No credit shall
5 be allowed under this section with respect to any ve-
6 hicle unless, with respect to the battery from which
7 the electric motor of such vehicle draws electricity,
8 all of the components contained in such battery were
9 manufactured or assembled in North America (as
10 certified by the manufacturer, in such form or man-
11 ner as prescribed by the Secretary).

12 “(3) RESTRICTION ON FOREIGN ENTITIES OF
13 CONCERN.—No credit shall be allowed under this
14 section which respect to any vehicle placed in service
15 after December 31, 2024, if any of the applicable
16 critical minerals contained in the battery of such ve-
17 hicle (as described in paragraph (1)) were extracted,
18 processed, or recycled by a foreign entity of concern
19 (as defined in section 40207(a)(5) of the Infrastruc-
20 ture Investment and Jobs Act (42 U.S.C.
21 18741(a)(5))).”.

22 (2) CONFORMING AMENDMENT.—Section
23 30D(d) is amended by striking paragraph (7).

24 (e) TRANSFER OF CREDIT REPEALED.—

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

3 (2) CONFORMING AMENDMENTS REVERSED.—
4 Section 30D(f) is amended—

5 (A) by inserting after paragraph (2) the
6 following:

7 “(3) PROPERTY USED BY TAX-EXEMPT ENTITY.—In
8 the case of a vehicle the use of which is described in para-
9 graph (3) or (4) of section 50(b) and which is not subject
10 to a lease, the person who sold such vehicle to the person
11 or entity using such vehicle shall be treated as the tax-
12 payer that placed such vehicle in service, but only if such
13 person clearly discloses to such person or entity in a docu-
14 ment the amount of any credit allowable under subsection
15 (a) with respect to such vehicle (determined without re-
16 gard to subsection (c)). For purposes of subsection (c),
17 property to which this paragraph applies shall be treated
18 as of a character subject to an allowance for deprecia-
19 tion.”, and

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

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

1 “(g) LIMITATION ON NUMBER OF NEW QUALIFIED
2 PLUG-IN ELECTRIC DRIVE MOTOR VEHICLES ELIGIBLE
3 FOR CREDIT.—

4 “(1) IN GENERAL.—In the case of a new quali-
5 fied plug-in electric drive motor vehicle sold during
6 the phaseout period, only the applicable percentage
7 of the credit otherwise allowable under subsection
8 (a) shall be allowed.

9 “(2) PHASEOUT PERIOD.—For purposes of this
10 subsection, the phaseout period is the period begin-
11 ning with the second calendar quarter following the
12 calendar quarter which includes the first date on
13 which the number of new qualified plug-in electric
14 drive motor vehicles manufactured by the manufac-
15 turer of the vehicle referred to in paragraph (1) sold
16 for use in the United States after December 31,
17 2009, is at least 200,000.

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

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

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

24 “(C) 0 percent for each calendar quarter
25 thereafter.

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

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

6 (h) ADDITIONAL CONFORMING AMENDMENTS.—

7 (1) The heading of section 30D is amended by
8 striking “**CLEAN VEHICLE CREDIT**” and inserting
9 “**NEW QUALIFIED PLUG-IN ELECTRIC DRIVE**
10 **MOTOR VEHICLES**”.

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

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

19 (4) The table of sections for subpart B of part
20 IV of subchapter A of chapter 1 is amended by
21 striking the item relating to section 30D and insert-
22 ing after the item relating to section 30C the fol-
23 lowing item:

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

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

1 (j) EFFECTIVE DATES.—

2 (1) IN GENERAL.—Except as otherwise pro-
3 vided in this subsection or subsection (k), the
4 amendments made by this section shall apply to ve-
5 hicles placed in service after June 9, 2023.

6 (2) FINAL ASSEMBLY AND MANUFACTURER
7 LIMITATION.—The amendments made by subsections
8 (b) and (f) shall apply to vehicles sold after June 9,
9 2023. Notwithstanding the preceding sentence, the
10 phaseout period (as defined in section 30D(g) of the
11 Internal Revenue Code of 1986, as amended by this
12 section) shall be determined by taking into account
13 all vehicles described in section 30D(g) of such Code
14 (as so amended).

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

19 (1) acquired by the taxpayer pursuant to a
20 written binding contract that was in effect on June
21 9, 2023, and

22 (2) placed in service before June 9, 2024.

23 (l) COORDINATION WITH PROVISIONS WHICH HAVE
24 NOT TAKEN EFFECT.—

1 (1) TRANSFER OF CREDIT.—Notwithstanding
2 subsection (k)(4) of section 13401 of Public Law
3 117–169, the amendments made by subsection (g) of
4 such section shall not apply.

5 (2) PER VEHICLE DOLLAR LIMITS AND RE-
6 LATED REQUIREMENTS.—Notwithstanding sub-
7 section (k)(3) of section 13401 of Public Law 117–
8 169, the amendments made by subsection (a) of
9 such section shall not apply unless the guidance re-
10 ferred to in such subsection (k)(3) is issued on or
11 before June 9, 2023.

12 **SEC. 304. REPEAL OF CREDIT FOR PREVIOUSLY-OWNED**
13 **CLEAN VEHICLES.**

14 (a) IN GENERAL.—Subpart A of part IV of sub-
15 chapter A of chapter 1 is amended by striking section 25E
16 (and by striking the item relating to such section in the
17 table of sections for such subpart).

18 (b) CONFORMING AMENDMENT.—Section 6213(g)(2)
19 is amended—

20 (1) in subparagraph (T), by adding “and” at
21 the end,

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

23 (3) by redesignating subparagraph (V) as sub-
24 paragraph (U).

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to vehicles acquired after June 9,
3 2023.

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

7 (1) acquired by the taxpayer pursuant to a
8 written binding contract that was in effect on June
9 9, 2023, and

10 (2) placed in service before June 9, 2024.

11 (e) COORDINATION WITH PROVISIONS WHICH HAVE
12 NOT TAKEN EFFECT.—Notwithstanding subsection (c)(2)
13 of section 13402 of Public Law 117–169, the amendments
14 made by subsection (b) of such section shall not apply.

15 **SEC. 305. REPEAL OF CREDIT FOR QUALIFIED COMMER-**
16 **CIAL CLEAN VEHICLES.**

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

21 (b) CONFORMING AMENDMENTS.—

22 (1) Section 38(b), as amended by the preceding
23 provisions of this section, is amended by striking
24 paragraph (37) and redesignating paragraphs (38)

1 through (40) as paragraphs (37) through (39), re-
2 spectively.

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

5 (A) in subparagraph (S), by adding “and”
6 at the end,

7 (B) in subparagraph (T), by striking “,
8 and” and inserting a period, and

9 (C) by striking subparagraph (U).

10 (3) Section 6417(b), as amended by the pre-
11 ceding provisions of this Act, is amended by striking
12 paragraph (6) and redesignating paragraphs (7)
13 through (10) as paragraphs (6) through (9), respec-
14 tively.

15 (c) EFFECTIVE DATE.—The amendments made by
16 this section shall apply to vehicles acquired after June 9,
17 2023.

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

21 (1) acquired by the taxpayer pursuant to a
22 written binding contract that was in effect on June
23 9, 2023, and

24 (2) placed in service before June 9, 2024.

