

title III, §318(a), Oct. 4, 2004, 118 Stat. 1182; Pub. L. 109-58, title XIII, §1322(a)(3)(A), Aug. 8, 2005, 119 Stat. 1011; Pub. L. 111-5, div. B, title I, §1142(a), Feb. 17, 2009, 123 Stat. 328; Pub. L. 111-148, title X, §10909(b)(2)(F), (c), Mar. 23, 2010, 124 Stat. 1023; Pub. L. 111-312, title I, §101(b)(1), Dec. 17, 2010, 124 Stat. 3298; Pub. L. 112-240, title I, §104(c)(2)(G), Jan. 2, 2013, 126 Stat. 2322.)

REFERENCES IN TEXT

The date of the enactment of the American Recovery and Reinvestment Tax Act of 2009, referred to in subsec. (d)(2)(A), is the date of the enactment of div. B of Pub. L. 111-5, which was approved Feb. 17, 2009.

The Clean Air Act, referred to in subsec. (d)(3), is act July 14, 1955, ch. 360, 69 Stat. 322. Title II of the Act, known as the National Emission Standards Act, is classified generally to subchapter II (§7521 et seq.) of chapter 85 of Title 42, The Public Health and Welfare. For complete classification of this Act to the Code, see Short Title note set out under section 7401 of Title 42 and Tables.

PRIOR PROVISIONS

A prior section 30 was renumbered section 41 of this title.

AMENDMENTS

2013—Subsec. (c)(2). Pub. L. 112-240 amended par. (2) generally. Prior to amendment, par. (2) related to personal credit with a limitation based on amount of tax.

2010—Subsec. (c)(2)(B)(ii). Pub. L. 111-148, §10909(b)(2)(F), (c), as amended by Pub. L. 111-312, temporarily substituted “25D” for “23, 25D.” See Effective and Termination Dates of 2010 Amendment note below.

2009—Pub. L. 111-5 amended section generally. Prior to amendment, section provided for credit of 10 percent of the cost of any qualified electric vehicle, subject to a \$4,000 per vehicle limitation, a 75 percent reduction for any vehicle placed in service after Dec. 31, 2005, and a Dec. 31, 2006, termination date.

2005—Subsec. (b)(3)(A). Pub. L. 109-58 substituted “section 27” for “sections 27 and 29” in introductory provisions.

2004—Subsec. (b)(2). Pub. L. 108-311 reenacted heading without change and amended text generally. Prior to amendment, text read as follows: “In the case of any qualified electric vehicle placed in service after December 31, 2003, the credit otherwise allowable under subsection (a) (determined after the application of paragraph (1)) shall be reduced by—

“(A) 25 percent in the case of property placed in service in calendar year 2004,

“(B) 50 percent in the case of property placed in service in calendar year 2005, and

“(C) 75 percent in the case of property placed in service in calendar year 2006.”

2002—Subsec. (b)(2). Pub. L. 107-147, §602(a)(1)(A), substituted “December 31, 2003,” for “December 31, 2001,” in introductory provisions.

Subsec. (b)(2)(A). Pub. L. 107-147, §602(a)(1)(B), substituted “2004” for “2002”.

Subsec. (b)(2)(B). Pub. L. 107-147, §602(a)(1)(B), substituted “2005” for “2003”.

Subsec. (b)(2)(C). Pub. L. 107-147, §602(a)(1)(B), substituted “2006” for “2004”.

Subsec. (e). Pub. L. 107-147, §602(a)(2), substituted “December 31, 2006” for “December 31, 2004”.

1996—Subsec. (b)(3)(A). Pub. L. 104-188, §1205(d)(4), substituted “sections 27 and 29” for “sections 27, 28, and 29”.

Subsec. (d)(1). Pub. L. 104-188, §1704(j)(4)(A)(i), inserted “(determined without regard to subsection (b)(3))” before period at end.

Subsec. (d)(4). Pub. L. 104-188, §1704(j)(4)(A)(ii), added par. (4).

EFFECTIVE DATE OF 2013 AMENDMENT

Amendment by Pub. L. 112-240 applicable to taxable years beginning after Dec. 31, 2011, see section 104(d) of

Pub. L. 112-240, set out as a note under section 23 of this title.

EFFECTIVE AND TERMINATION DATES OF 2010 AMENDMENT

Amendment by Pub. L. 111-148 terminated applicable to taxable years beginning after Dec. 31, 2011, and section is amended to read as if such amendment had never been enacted, see section 10909(c) of Pub. L. 111-148, set out as a note under section 1 of this title.

Amendment by Pub. L. 111-148 applicable to taxable years beginning after Dec. 31, 2009, see section 10909(d) of Pub. L. 111-148, set out as a note under section 1 of this title.

EFFECTIVE DATE OF 2009 AMENDMENT

Amendment by Pub. L. 111-5 applicable to vehicles acquired after Feb. 17, 2009, see section 1142(c) of Pub. L. 111-5, set out as an Effective and Termination Dates of 2009 Amendment note under section 24 of this title.

EFFECTIVE DATE OF 2005 AMENDMENT

Amendment by Pub. L. 109-58 applicable to credits determined under the Internal Revenue Code of 1986 for taxable years ending after Dec. 31, 2005, see section 1322(c)(1) of Pub. L. 109-58, set out as a note under section 45K of this title.

EFFECTIVE DATE OF 2004 AMENDMENT

Pub. L. 108-311, title III, §318(b), Oct. 4, 2004, 118 Stat. 1182, provided that: “The amendments made by this section [amending this section] shall apply to property placed in service after December 31, 2003.”

EFFECTIVE DATE OF 2002 AMENDMENT

Pub. L. 107-147, title VI, §602(c), Mar. 9, 2002, 116 Stat. 59, provided that: “The amendments made by this section [amending this section, section 280F of this title, and provisions set out as a note under section 280F of this title] shall apply to property placed in service after December 31, 2001.”

EFFECTIVE DATE OF 1996 AMENDMENT

Amendment by section 1205(d)(4) of Pub. L. 104-188 applicable to amounts paid or incurred in taxable years ending after June 30, 1996, see section 1205(e) of Pub. L. 104-188, set out as a note under section 45K of this title.

EFFECTIVE DATE

Pub. L. 102-486, title XIX, §1913(c), Oct. 24, 1992, 106 Stat. 3020, provided that: “The amendments made by this section [enacting this section and 179A of this title and amending sections 53, 55, 62, and 1016 of this title] shall apply to property placed in service after June 30, 1993.”

TRANSITIONAL RULE

Pub. L. 111-5, div. B, title I, §1142(d), Feb. 17, 2009, 123 Stat. 331, provided that: “In the case of a vehicle acquired after the date of the enactment of this Act [Feb. 17, 2009] and before January 1, 2010, no credit shall be allowed under section 30 of the Internal Revenue Code of 1986, as added by this section, if credit is allowable under section 30D of such Code with respect to such vehicle.”

§ 30A. Puerto Rico economic activity credit

(a) Allowance of credit

(1) In general

Except as otherwise provided in this section, if the conditions of both paragraph (1) and paragraph (2) of subsection (b) are satisfied with respect to a qualified domestic corporation, there shall be allowed as a credit against the tax imposed by this chapter an amount

equal to the portion of the tax which is attributable to the taxable income, from sources without the United States, from—

- (A) the active conduct of a trade or business within Puerto Rico, or
- (B) the sale or exchange of substantially all of the assets used by the taxpayer in the active conduct of such trade or business.

In the case of any taxable year beginning after December 31, 2001, the aggregate amount of taxable income taken into account under the preceding sentence (and in applying subsection (d)) shall not exceed the adjusted base period income of such corporation, as determined in the same manner as under section 936(j).

(2) Qualified domestic corporation

For purposes of paragraph (1), the term “qualified domestic corporation” means a domestic corporation—

- (A) which is an existing credit claimant with respect to Puerto Rico, and
- (B) with respect to which section 936(a)(4)(B) does not apply for the taxable year.

(3) Separate application

For purposes of determining—

- (A) whether a taxpayer is an existing credit claimant with respect to Puerto Rico, and
- (B) the amount of the credit allowed under this section,

this section (and so much of section 936 as relates to this section) shall be applied separately with respect to Puerto Rico.

(b) Conditions which must be satisfied

The conditions referred to in subsection (a) are—

(1) 3-year period

If 80 percent or more of the gross income of the qualified domestic corporation for the 3-year period immediately preceding the close of the taxable year (or for such part of such period immediately preceding the close of such taxable year as may be applicable) was derived from sources within a possession (determined without regard to section 904(f)).

(2) Trade or business

If 75 percent or more of the gross income of the qualified domestic corporation for such period or such part thereof was derived from the active conduct of a trade or business within a possession.

(c) Credit not allowed against certain taxes

The credit provided by subsection (a) shall not be allowed against the tax imposed by—

- (1) section 59A (relating to environmental tax),
- (2) section 531 (relating to the tax on accumulated earnings),
- (3) section 541 (relating to personal holding company tax), or
- (4) section 1351 (relating to recoveries of foreign expropriation losses).

(d) Limitations on credit for active business income

The amount of the credit determined under subsection (a) for any taxable year shall not exceed the sum of the following amounts:

(1) 60 percent of the sum of—

- (A) the aggregate amount of the qualified domestic corporation’s qualified possession wages for such taxable year, plus
- (B) the allocable employee fringe benefit expenses of the qualified domestic corporation for such taxable year.

(2) The sum of—

- (A) 15 percent of the depreciation allowances for the taxable year with respect to short-life qualified tangible property,
- (B) 40 percent of the depreciation allowances for the taxable year with respect to medium-life qualified tangible property, and
- (C) 65 percent of the depreciation allowances for the taxable year with respect to long-life qualified tangible property.

(3) If the qualified domestic corporation does not have an election to use the method described in section 936(h)(5)(C)(ii) (relating to profit split) in effect for the taxable year, the amount of the qualified possession income taxes for the taxable year allocable to non-sheltered income.

(e) Administrative provisions

For purposes of this title—

(1) the provisions of section 936 (including any applicable election thereunder) shall apply in the same manner as if the credit under this section were a credit under section 936(a)(1)(A) for a domestic corporation to which section 936(a)(4)(A) applies,

(2) the credit under this section shall be treated in the same manner as the credit under section 936, and

(3) a corporation to which this section applies shall be treated in the same manner as if it were a corporation electing the application of section 936.

(f) Denial of double benefit

Any wages or other expenses taken into account in determining the credit under this section may not be taken into account in determining the credit under section 41.

(g) Definitions

For purposes of this section, any term used in this section which is also used in section 936 shall have the same meaning given such term by section 936.

(h) Application of section

This section shall apply to taxable years beginning after December 31, 1995, and before January 1, 2006.

(Added Pub. L. 104-188, title I, §1601(b)(1), Aug. 20, 1996, 110 Stat. 1830; amended Pub. L. 105-34, title XVI, §1601(f)(1)(A), Aug. 5, 1997, 111 Stat. 1090; Pub. L. 106-554, §1(a)(7) [title III, §311(a)(2)], Dec. 21, 2000, 114 Stat. 2763, 2763A-640.)

AMENDMENTS

2000—Subsecs. (f) to (h). Pub. L. 106-554 added subsec. (f) and redesignated former subsecs. (f) and (g) as (g) and (h), respectively.

1997—Pub. L. 105-34 substituted “Puerto Rico” for “Puerto Rican” in section catchline.

EFFECTIVE DATE OF 2000 AMENDMENT

Pub. L. 106-554, §1(a)(7) [title III, §311(d)], Dec. 21, 2000, 114 Stat. 2763, 2763A-640, provided that: “Sub-

section (c) [not classified to the Code] and the amendments made by this section [amending this section and sections 280C and 857 of this title] shall take effect as if included in the provisions of the Ticket to Work and Work Incentives Improvement Act of 1999 [Pub. L. 106-170, see Tables for classification] to which they relate.”

EFFECTIVE DATE OF 1997 AMENDMENT

Amendment by Pub. L. 105-34 effective as if included in the provisions of the Small Business Job Protection Act of 1996, Pub. L. 104-188, to which it relates, see section 1601(j) of Pub. L. 105-34, set out as a note under section 23 of this title.

EFFECTIVE DATE

Pub. L. 104-188, title I, §1601(c), Aug. 20, 1996, 110 Stat. 1833, provided that:

“(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section [enacting this section and amending sections 55, 56, 59, and 936 of this title] shall apply to taxable years beginning after December 31, 1995.

“(2) SPECIAL RULE FOR QUALIFIED POSSESSION SOURCE INVESTMENT INCOME.—The amendments made by this section shall not apply to qualified possession source investment income received or accrued before July 1, 1996, without regard to the taxable year in which received or accrued.

“(3) SPECIAL TRANSITION RULE FOR PAYMENT OF ESTIMATED TAX INSTALLMENT.—In determining the amount of any installment due under section 6655 of the Internal Revenue Code of 1986 after the date of the enactment of this Act [Aug. 20, 1996] and before October 1, 1996, only ½ of any increase in tax (for the taxable year for which such installment is made) by reason of the amendments made by subsections (a) and (b) [enacting this section and amending sections 55, 56, 59, and 936 of this title] shall be taken into account. Any reduction in such installment by reason of the preceding sentence shall be recaptured by increasing the next required installment for such year by the amount of such reduction.”

AMERICAN SAMOA ECONOMIC DEVELOPMENT CREDIT

Pub. L. 109-432, div. A, title I, §119, Dec. 20, 2006, 120 Stat. 2942, as amended by Pub. L. 110-343, div. C, title III, §309(a), Oct. 3, 2008, 122 Stat. 3869; Pub. L. 111-312, title VII, §756(a), Dec. 17, 2010, 124 Stat. 3322; Pub. L. 112-240, title III, §330(a), (b), Jan. 2, 2013, 126 Stat. 2335, provided that:

“(a) IN GENERAL.—For purposes of section 30A of the Internal Revenue Code of 1986, a domestic corporation shall be treated as a qualified domestic corporation to which such section applies if—

“(1) in the case of a taxable year beginning before January 1, 2012, such corporation—

“(A) is an existing credit claimant with respect to American Samoa, and

“(B) elected the application of section 936 of the Internal Revenue Code of 1986 for its last taxable year beginning before January 1, 2006, and

“(2) in the case of a taxable year beginning after December 31, 2011, such corporation meets the requirements of subsection (e).

“(b) SPECIAL RULES FOR APPLICATION OF SECTION.—The following rules shall apply in applying section 30A of the Internal Revenue Code of 1986 for purposes of this section:

“(1) AMOUNT OF CREDIT.—Notwithstanding section 30A(a)(1) of such Code, the amount of the credit determined under section 30A(a)(1) of such Code for any taxable year shall be the amount determined under section 30A(d) of such Code, except that section 30A(d) shall be applied without regard to paragraph (3) thereof.

“(2) SEPARATE APPLICATION.—In applying section 30A(a)(3) of such Code in the case of a corporation treated as a qualified domestic corporation by reason

of this section, section 30A of such Code (and so much of section 936 of such Code as relates to such section 30A) shall be applied separately with respect to American Samoa.

“(3) FOREIGN TAX CREDIT ALLOWED.—Notwithstanding section 30A(e) of such Code, the provisions of section 936(c) of such Code shall not apply with respect to the credit allowed by reason of this section.

“(c) DEFINITIONS.—For purposes of this section, any term which is used in this section which is also used in section 30A or 936 of such Code shall have the same meaning given such term by such section 30A or 936.

“(d) APPLICATION OF SECTION.—Notwithstanding section 30A(h) or section 936(j) of such Code, this section (and so much of section 30A and section 936 of such Code as relates to this section) shall apply—

“(1) in the case of a corporation that meets the requirements of subparagraphs (A) and (B) of subsection (a)(1), to the first 8 taxable years of such corporation which begin after December 31, 2006, and before January 1, 2014, and

“(2) in the case of a corporation that does not meet the requirements of subparagraphs (A) and (B) of subsection (a)(1), to the first 2 taxable years of such corporation which begin after December 31, 2011, and before January 1, 2014.

“(e) QUALIFIED PRODUCTION ACTIVITIES INCOME REQUIREMENT.—A corporation meets the requirement of this subsection if such corporation has qualified production activities income, as defined in subsection (c) of section 199 of the Internal Revenue Code of 1986, determined by substituting ‘American Samoa’ for ‘the United States’ each place it appears in paragraphs (3), (4), and (6) of such subsection (c), for the taxable year.”

[Pub. L. 112-240, title III, §330(c), Jan. 2, 2013, 126 Stat. 2335, provided that: “The amendments made by this section [amending section 119 of Pub. L. 109-432, set out above] shall apply to taxable years beginning after December 31, 2011.”]

[Pub. L. 111-312, title VII, §756(b), Dec. 17, 2010, 124 Stat. 3322, provided that: “The amendments made by this section [amending section 119 of Pub. L. 109-432, set out above] shall apply to taxable years beginning after December 31, 2009.”]

[Pub. L. 110-343, div. C, title III, §309(b), Oct. 3, 2008, 122 Stat. 3869, provided that: “The amendments made by this section [amending section 119 of Pub. L. 109-432, set out above] shall apply to taxable years beginning after December 31, 2007.”]

§ 30B. Alternative motor vehicle credit

(a) Allowance of credit

There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of—

(1) the new qualified fuel cell motor vehicle credit determined under subsection (b),

(2) the new advanced lean burn technology motor vehicle credit determined under subsection (c),

(3) the new qualified hybrid motor vehicle credit determined under subsection (d),

(4) the new qualified alternative fuel motor vehicle credit determined under subsection (e), and

(5) the plug-in conversion credit determined under subsection (i).

(b) New qualified fuel cell motor vehicle credit

(1) In general

For purposes of subsection (a), the new qualified fuel cell motor vehicle credit determined under this subsection with respect to a new qualified fuel cell motor vehicle placed in service by the taxpayer during the taxable year is—