

103^D CONGRESS
1ST SESSION

H. R. 2925

To amend the Internal Revenue Code of 1986 to allow individuals a credit against income tax for the sale of older, polluting motor vehicles to certain purchasers who scrap the vehicles.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 6, 1993

Mr. COX introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to allow individuals a credit against income tax for the sale of older, polluting motor vehicles to certain purchasers who scrap the vehicles.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Junk Your Clunker
5 Tax Credit Act of 1993”.

6 **SEC. 2. FINDINGS.**

7 The Congress finds the following:

1 (1) The use of motor vehicles generates more
2 air pollution than any other single human activity.
3 Automobiles are responsible for the vast majority of
4 poisonous carbon monoxide emissions, in addition to
5 those emissions that lead to the formation of smog
6 during the summer months.

7 (2) Since passage of the Clean Air Act in 1970,
8 carbon monoxide and hydrocarbon emissions have
9 decreased 96 percent, and ozone-causing nitrous ox-
10 ides have fallen 76 percent. Further automotive
11 emissions reductions can be achieved most effectively
12 and efficiently by focusing our smog control efforts
13 on those cars which produce a disproportionate
14 amount of pollution.

15 (3) There is a steady and well-documented cor-
16 relation between the age of a car and the amount of
17 pollution it emits. The Environmental Protection
18 Agency has calculated that cars built before the
19 1980 model year are responsible for 86 percent of
20 total automotive emissions.

21 (4) Providing an economic incentive, in the
22 form of a tax credit, for owners of vehicles built be-
23 fore 1980 to retire these cars will significantly re-
24 duce overall car emissions and improve air quality.

1 More importantly, it will do so far more efficiently
2 than costly and inflexible mandates.

3 **SEC. 3. CREDIT FOR OLDER MOTOR VEHICLES SOLD TO**
4 **PURCHASERS WHO SCRAP THE VEHICLES.**

5 (a) IN GENERAL.—Subpart A of part IV of sub-
6 chapter A of chapter 1 of the Internal Revenue Code of
7 1986 (relating to nonrefundable personal credits) is
8 amended by inserting after section 22 the following new
9 section:

10 **“SEC. 23. SALES OF HIGHLY-POLLUTING MOTOR VEHICLES**
11 **TO CERTAIN PURCHASERS WHO SCRAP THE**
12 **VEHICLES.**

13 “(a) ALLOWANCE OF CREDIT.—In the case of an in-
14 dividual, there shall be allowed as a credit against the tax
15 imposed by this chapter for the taxable year an amount
16 equal to \$700 for each automobile—

17 “(1) which is sold by the taxpayer during the
18 taxable year to an approved purchaser who agrees in
19 writing to scrap it,

20 “(2) which has been held by the taxpayer for at
21 least 2 years, and

22 “(3) the model year of which is before 1980.

23 “(b) DEFINITIONS.—For purposes of this section—

24 “(1) AUTOMOBILE.—The term ‘automobile’ has
25 the meaning given such term by section 4064(b)(1).

1 “(2) MODEL YEAR.—The term ‘model year’ has
2 the meaning given such term by section 4064(b)(4).

3 “(3) APPROVED PURCHASER.—The term ‘ap-
4 proved purchaser’ means any person engaged in the
5 trade or business of scrapping automobiles who
6 meets such requirements as the Secretary may by
7 regulations prescribe for purposes of this section.”

8 (b) CLERICAL AMENDMENT.—The table of sections
9 for such subpart A is amended by inserting after the item
10 relating to section 22 the following new item:

 “Sec. 23. Sales of older highly-polluting motor vehicles to certain
 purchasers who scrap the vehicles.”

11 (c) EFFECTIVE DATE.—The amendments made by
12 this section shall apply to sales in calendar years begin-
13 ning after the date of the enactment of this Act.

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