

103D CONGRESS
1ST SESSION

H. R. 718

To amend the Internal Revenue Code of 1986 to allow a refundable credit for the purchase of domestically manufactured automobiles.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 2, 1993

Mr. GILMAN 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 a refundable credit for the purchase of domestically manufactured automobiles.

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. CREDIT FOR PURCHASE OF DOMESTICALLY**
4 **MANUFACTURED AUTOMOBILES.**

5 (a) GENERAL RULE.—Subpart C of part IV of sub-
6 chapter A of chapter 1 of the Internal Revenue Code of
7 1986 (relating to refundable credits) is amended by redес-
8 ignating section 35 as section 36 and by inserting after
9 section 34 the following new section:

1 **“SEC. 35. PURCHASE OF DOMESTICALLY MANUFACTURED**
2 **AUTOMOBILES.**

3 “(a) ALLOWANCE OF CREDIT.—There shall be al-
4 lowed as a credit against the tax imposed by this subtitle
5 for the taxable year an amount for each qualified auto-
6 mobile acquired by the taxpayer during the taxable year
7 equal to the lesser of—

8 “(1) 10 percent of the cost of such automobile
9 to the taxpayer, or

10 “(2) \$2,500 (\$1,000 in the case of a qualified
11 automobile described in subsection (b)(1)(B)).

12 “(b) QUALIFIED AUTOMOBILE.—For purposes of this
13 section—

14 “(1) IN GENERAL.—The term ‘qualified auto-
15 mobile’ means any automobile if such automobile is
16 manufactured in the United States and if—

17 “(A) such automobile is purchased by the
18 taxpayer in the 1st retail sale of such auto-
19 mobile (within the meaning of section 4011), or

20 “(B) such automobile is acquired by the
21 taxpayer in a qualified resale and such resale
22 occurs within the 2-year period beginning on
23 the date of the 1st retail sale of such auto-
24 mobile.

25 “(2) AUTOMOBILE.—The term ‘automobile’
26 means any 4-wheeled vehicle which is propelled by

1 fuel (as defined in section 4064(b)(7)) and which is
2 manufactured primarily for use on public streets,
3 roads, and highways.

4 “(3) QUALIFIED RESALE.—The term ‘qualified
5 resale’ means any sale of an automobile if—

6 “(A) such sale is after the 1st retail sale
7 of such automobile,

8 “(B) such sale is for a purpose other than
9 resale, and

10 “(C) no credit was allowed under this sec-
11 tion for any prior acquisition of such auto-
12 mobile other than at its 1st retail sale.

13 “(c) SPECIAL RULES.—For purposes of this sec-
14 tion—

15 “(1) MANUFACTURED IN THE UNITED
16 STATES.—An automobile shall be treated as manu-
17 factured in the United States if at least 75 percent
18 of the cost to the manufacturer of such vehicle is at-
19 tributable to value added in the United States or
20 Canada.

21 “(2) JOINT ACQUISITIONS.—If any qualified
22 automobile is jointly acquired by two or more per-
23 sons—

24 “(A) the aggregate amount allowable as
25 credit under subsection (a) to such persons with

