

117TH CONGRESS
2D SESSION

H. R. 7295

To amend the Internal Revenue Code of 1986 to provide an advanceable refundable credit for individuals who own or lease certain motor vehicles.

IN THE HOUSE OF REPRESENTATIVES

MARCH 30, 2022

Mr. HORSFORD 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 provide an advanceable refundable credit for individuals who own or lease certain motor 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 “Saving Americans from
5 Vehicle Energy Costs Act”.

6 **SEC. 2. ADVANCEABLE REFUNDABLE CREDIT FOR INDIVID-**
7 **UALS WHO OWN OR LEASE CERTAIN MOTOR**
8 **VEHICLES.**

9 (a) IN GENERAL.—Subpart C of part IV of sub-
10 chapter A of chapter 1 of the Internal Revenue Code of

1 1986 is amended by inserting after section 36B the fol-
 2 lowing new section:

3 **“SEC. 36C. REFUNDABLE CREDIT FOR OWNING OR LEASING**
 4 **CERTAIN MOTOR VEHICLES.**

5 “(a) IN GENERAL.—In the case of an eligible indi-
 6 vidual, there shall be allowed as a credit against the tax
 7 imposed by this subtitle for any taxable year the sum of
 8 the monthly credit amounts determined with respect to
 9 such individual for specified months during such taxable
 10 year.

11 “(b) MONTHLY CREDIT AMOUNT.—The term
 12 ‘monthly credit amount’ means, with respect to any indi-
 13 vidual for any specified month, the product of—

14 “(1) \$300, multiplied by

15 “(2) the number of qualified motor vehicles
 16 owned or leased by such individual as the close of
 17 such month.

18 “(c) LIMITATION BASED ON ADJUSTED GROSS IN-
 19 COME.—No credit shall be allowed under this section for
 20 any taxable year if the adjusted gross income of the tax-
 21 payer for such taxable year exceeds \$200,000 (\$400,000
 22 in the case of a joint return).

23 “(d) OTHER DEFINITIONS.—For purposes of this
 24 section—

1 “(1) ELIGIBLE INDIVIDUAL.—The term ‘eligible
2 individual’ means any individual (other than an es-
3 tate or trust) who resides in the United States.

4 “(2) SPECIFIED MONTH.—The term ‘specified
5 month’ means the first 3 calendar months beginning
6 after the date of the enactment of this section.

7 “(3) QUALIFIED MOTOR VEHICLE.—The term
8 ‘qualified motor vehicle’ means any vehicle which—
9 “(A) is treated as a motor vehicle for pur-
10 poses of title II of the Clean Air Act, and

11 “(B) is registered for highway use.

12 “(e) RULES RELATED TO OWNERSHIP AND LEAS-
13 ING.—For purposes of this section—

14 “(1) IN GENERAL.—An individual shall be
15 treated as owning a motor vehicle only if such per-
16 son is the registered owner of such motor vehicle.

17 “(2) LEASES.—Notwithstanding paragraph (1),
18 any motor vehicle subject to a lease shall be treated
19 as owned by the lessee (and only by the lessee).

20 “(3) TREATMENT OF MULTIPLE OWNERS OR
21 LESSEES.—Except as otherwise provided by the Sec-
22 retary, if more than one individual is listed on any
23 ownership registration or lease as being the owner or
24 lessee (as the case may be) only the first individual

1 so listed shall be treated as the owner or lessee (as
2 the case may be) for purposes of this section.

3 “(f) COORDINATION WITH ADVANCE PAYMENT OF
4 CREDIT.—With respect to any taxable year, the amount
5 which (but for this subsection) would be allowed as a cred-
6 it to a taxpayer under subsection (a) shall be reduced (but
7 not below zero) by the aggregate amount paid to such tax-
8 payer under section 7527B with respect to months during
9 such taxable year.”.

10 (b) ADVANCE PAYMENT.—Chapter 77 of such Code
11 is amended by inserting after section 7527A the following
12 new section:

13 **“SEC. 7527B. ADVANCE PAYMENT OF CREDIT FOR OWNING**
14 **OR LEASING CERTAIN MOTOR VEHICLES.**

15 “(a) IN GENERAL.—The Secretary shall establish a
16 program for making monthly payments of the monthly
17 credit amounts determined under section 36C (without re-
18 gard to subsection (f) thereof) with respect to taxpayers.

19 “(b) INCOME BASED ON PRIOR YEAR.—For purposes
20 of determining any payment under this section, section
21 36C(c) shall be applied by substituting ‘the preceding tax-
22 able year’ for ‘such taxable year’.

23 “(c) ON-LINE PORTAL.—The Secretary shall estab-
24 lish an on-line portal which allows taxpayers to submit
25 such information as the Secretary may require to allow

1 the Secretary to determine the proper amount of each
2 monthly payment to such taxpayer under this section.

3 “(d) NOTICE OF PAYMENTS.—Not later than Janu-
4 ary 31 of the calendar year following any calendar year
5 during which the Secretary makes one or more payments
6 to any taxpayer under this section, the Secretary shall pro-
7 vide such taxpayer with a written notice which includes
8 the taxpayer’s taxpayer identity (as defined in section
9 6103(b)(6)), the aggregate amount of such payments
10 made to such taxpayer during such calendar year, and
11 such other information as the Secretary determines appro-
12 priate.

13 “(e) ADMINISTRATIVE PROVISIONS.—

14 “(1) APPLICATION OF ELECTRONIC FUNDS PAY-
15 MENT REQUIREMENTS.—Any payment under this
16 section shall be made by electronic funds transfer to
17 the same extent and in the same manner as if such
18 payment were a Federal payment not made under
19 this title.

20 “(2) APPLICATION OF CERTAIN RULES.—Rules
21 similar to the rules of subparagraphs (B) and (C) of
22 section 6428A(f)(3) shall apply for purposes of this
23 section.

24 “(3) TREATMENT OF PAYMENTS.—Any pay-
25 ment under this section shall be treated for purposes

1 of section 1324 of title 31, United States Code, in
2 the same manner as a refund due from a credit pro-
3 vision which is described in subsection (b)(2) of such
4 section.

5 “(4) EXCEPTION FROM REDUCTION OR OFF-
6 SET.—Any payment under this section shall not
7 be—

8 “(A) subject to reduction or offset pursu-
9 ant to section 3716 or 3720A of title 31,
10 United States Code,

11 “(B) subject to reduction or offset pursu-
12 ant to subsection (c), (d), (e), or (f) of section
13 6402 of the Internal Revenue Code of 1986, or

14 “(C) reduced or offset by other assessed
15 Federal taxes that would otherwise be subject
16 to levy or collection.

17 “(5) ASSIGNMENT OF BENEFITS.—

18 “(A) IN GENERAL.—The right of any per-
19 son to any applicable payment under this sec-
20 tion shall not be transferable or assignable, at
21 law or in equity, and no applicable payment
22 shall be subject to, execution, levy, attachment,
23 garnishment, or other legal process, or the op-
24 eration of any bankruptcy or insolvency law.

1 “(B) ENCODING OF PAYMENTS.—In the
2 case of an applicable payment that is paid elec-
3 tronically by direct deposit through the Auto-
4 mated Clearing House (ACH) network, the Sec-
5 retary shall—

6 “(i) issue the payment using a unique
7 identifier that is reasonably sufficient to
8 allow a financial institution to identify the
9 payment as an applicable payment, and

10 “(ii) further encode the payment pur-
11 suant to the same specifications as re-
12 quired for a benefit payment defined in
13 section 212.3 of title 31, Code of Federal
14 Regulations.

15 “(C) GARNISHMENT.—

16 “(i) ENCODED PAYMENTS.—In the
17 case of a garnishment order that applies to
18 an account that has received an applicable
19 payment that is encoded as provided in
20 subparagraph (B), a financial institution
21 shall follow the requirements and proce-
22 dures set forth in part 212 of title 31,
23 Code of Federal Regulations, except—

24 “(I) notwithstanding section
25 212.4 of title 31, Code of Federal

1 Regulations (and except as provided
2 in subclause (II)), a financial institu-
3 tion shall not fail to follow the proce-
4 dures of sections 212.5 and 212.6 of
5 such title with respect to a garnish-
6 ment order merely because such order
7 has attached, or includes, a notice of
8 right to garnish federal benefits issued
9 by a State child support enforcement
10 agency, and

11 “(II) a financial institution shall
12 not, with regard to any applicable
13 payment, be required to provide the
14 notice referenced in sections 212.6
15 and 212.7 of title 31, Code of Federal
16 Regulations.

17 “(ii) OTHER PAYMENTS.—In the case
18 of a garnishment order (other than an
19 order that has been served by the United
20 States) that has been received by a finan-
21 cial institution and that applies to an ac-
22 count into which an applicable payment
23 that has not been encoded as provided in
24 subparagraph (B) has been deposited elec-
25 tronically on any date during the lookback

1 period or into which an applicable payment
2 that has been deposited by check on any
3 date in the lookback period, the financial
4 institution, upon the request of the account
5 holder, shall treat the amount of the funds
6 in the account at the time of the request,
7 up to the amount of the applicable pay-
8 ment (in addition to any amounts other-
9 wise protected under part 212 of title 31,
10 Code of Federal Regulations), as exempt
11 from a garnishment order without requir-
12 ing the consent of the party serving the
13 garnishment order or the judgment cred-
14 itor.

15 “(iii) LIABILITY.—A financial institu-
16 tion that acts in good faith in reliance on
17 clauses (i) or (ii) shall not be subject to li-
18 ability or regulatory action under any Fed-
19 eral or State law, regulation, court or other
20 order, or regulatory interpretation for ac-
21 tions concerning any applicable payments.

22 “(D) NO RECLAMATION RIGHTS.—This
23 paragraph shall not alter the status of applica-
24 ble payments as tax refunds or other nonbenefit
25 payments for purpose of any reclamation rights

1 of the Department of the Treasury or the Inter-
2 nal Revenue Service as per part 210 of title 31,
3 Code of Federal Regulations.

4 “(E) DEFINITIONS.—For purposes of this
5 paragraph—

6 “(i) ACCOUNT HOLDER.—The term
7 ‘account holder’ means a natural person
8 whose name appears in a financial institu-
9 tion’s records as the direct or beneficial
10 owner of an account.

11 “(ii) ACCOUNT REVIEW.—The term
12 ‘account review’ means the process of ex-
13 amining deposits in an account to deter-
14 mine if an applicable payment has been de-
15 posited into the account during the
16 lookback period. The financial institution
17 shall perform the account review following
18 the procedures outlined in section 212.5 of
19 title 31, Code of Federal Regulations and
20 in accordance with the requirements of sec-
21 tion 212.6 of title 31, Code of Federal
22 Regulations.

23 “(iii) APPLICABLE PAYMENT.—The
24 term ‘applicable payment’ means any pay-

1 ment made pursuant to subsection (a) of
2 this section.

3 “(iv) GARNISHMENT.—The term ‘gar-
4 nishment’ means execution, levy, attach-
5 ment, garnishment, or other legal process.

6 “(v) GARNISHMENT ORDER.—The
7 term ‘garnishment order’ means a writ,
8 order, notice, summons, judgment, levy, or
9 similar written instruction issued by a
10 court, a State or State agency, a munici-
11 pality or municipal corporation, or a State
12 child support enforcement agency, includ-
13 ing a lien arising by operation of law for
14 overdue child support or an order to freeze
15 the assets in an account, to effect a gar-
16 nishment against a debtor.

17 “(vi) LOOKBACK PERIOD.—The term
18 ‘lookback period’ means the two month pe-
19 riod that begins on the date preceding the
20 date of account review and ends on the
21 corresponding date of the month two
22 months earlier, or on the last date of the
23 month two months earlier if the cor-
24 responding date does not exist.

1 “(f) REGULATIONS.—The Secretary shall issue such
 2 regulations or other guidance as the Secretary determines
 3 necessary or appropriate to carry out the purposes of this
 4 section and section 36C(f), including regulations or other
 5 guidance which provides for the application of such sec-
 6 tions where the filing status of the taxpayer for a taxable
 7 year is different from the status used for determining
 8 monthly payments under this section.”.

9 (c) CONFORMING AMENDMENTS.—

10 (1) Section 6211(b)(4)(A) of the Internal Rev-
 11 enue Code of 1986 is amended by inserting “36C,”
 12 after “36B,”.

13 (2) Paragraph (2) of section 1324(b) of title
 14 31, United States Code, is amended by inserting
 15 “36C,” after “36B,”.

16 (3) The table of sections for subpart C of part
 17 IV of subchapter A of chapter 1 of the Internal Rev-
 18 enue Code of 1986 is amended by inserting after the
 19 item relating to section 36B the following new item:

“Sec. 36C. Refundable credit for owning or leasing certain motor vehicles.”.

20 (4) The table of sections for chapter 77 of such
 21 Code is amended by inserting after the item relating
 22 to section 7527A the following new item:

“Sec. 7527B. Advance payment of credit for owning or leasing certain motor
 vehicles.”.

1 (d) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to months beginning after the date
3 of the enactment of this Act, in taxable years ending after
4 such date.

○