

Clean Car Tax Incentive Provisions

Sponsored by Congressman Dave Camp

HYBRID

\$3,400

Amount of the credit is the sum of two components: a fuel economy credit and a conservation credit that is based on the estimated lifetime fuel savings of a qualifying vehicle compared to a comparable 2002 model year vehicle. The fuel economy credit ranges from \$400 to \$2400. The conservation credit ranges from \$250 to \$1000.

ADVANCED DIESEL

\$3,400

Amount of the credit is the same as the hybrid credit.

ELECTRIC

\$4,000

A 10-percent tax credit is provided for the cost of an electric vehicle, up to a maximum credit for \$4000.

CLEAN-FUEL

\$3,500

Costs of clean-fuel vehicles may be expensed and deducted. Clean-fuel vehicles use certain clean-burning fuels (natural gas, hydrogen, electricity, and any other fuel at least 85 percent of which is methanol, ethanol, any other alcohol or ether). The maximum amount of the deduction is 70 percent of \$5000 in the case of a truck or van with a weight between 10,000 and 26,000 pounds; \$2000 in the case of any other motor vehicle.

FUEL CELL

\$8,000

The total amount of the tax credit will be based on a combination of two factors: the weight class of the vehicle and its fuel economy.