

117TH CONGRESS  
1ST SESSION

**S.** \_\_\_\_\_

To amend the Internal Revenue Code of 1986 to provide a credit for the purchase of certain new electric bicycles.

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IN THE SENATE OF THE UNITED STATES

Mr. SCHATZ (for himself and Mr. MARKEY) introduced the following bill; which was read twice and referred to the Committee on

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**A BILL**

To amend the Internal Revenue Code of 1986 to provide a credit for the purchase of certain new electric bicycles.

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 “Electric Bicycle Incen-  
5 tive Kickstart for the Environment Act” or as the “E-  
6 BIKE Act”.

7 **SEC. 2. CREDIT FOR CERTAIN NEW ELECTRIC BICYCLES.**

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

1 1986 is amended by adding at the end the following new  
2 section:

3 **“SEC. 36C. ELECTRIC BICYCLES.**

4 “(a) ALLOWANCE OF CREDIT.—In the case of an in-  
5 dividual, there shall be allowed as a credit against the tax  
6 imposed by this subtitle for any taxable year an amount  
7 equal to 30 percent of the cost of any qualified electric  
8 bicycle placed in service by the taxpayer during such tax-  
9 able year.

10 “(b) LIMITATION.—

11 “(1) DOLLAR LIMITATION.—In the case of any  
12 taxpayer for any taxable year, the credit allowed  
13 under subsection (a) shall not exceed the excess (if  
14 any) of—

15 “(A) \$1,500 (twice such amount in the  
16 case of a joint return), reduced by

17 “(B) the aggregate credits allowed to the  
18 taxpayer under subsection (a) for the 2 pre-  
19 ceding taxable years.

20 “(2) NUMBER OF BICYCLES.—In the case of  
21 any taxpayer for any taxable year, the number of bi-  
22 cycles taken into account under subsection (a) shall  
23 not exceed the excess (if any) of—

24 “(A) 1 (2 in the case of a joint return), re-  
25 duced by

1           “(B) the aggregate number of bicycles  
2           taken into account by the taxpayer under sub-  
3           section (a) for the 2 preceding taxable years.

4           “(c) QUALIFIED ELECTRIC BICYCLE.—For purposes  
5 of this section—

6           “(1) IN GENERAL.—The term ‘qualified electric  
7           bicycle’ means a two- or three-wheeled vehicle—

8           “(A) which is a class 1 electric bicycle, a  
9           class 2 electric bicycle, or a class 3 electric bicy-  
10          cle,

11          “(B) which is equipped with—

12           “(i) pedals capable of propelling such  
13          vehicle,

14           “(ii) a saddle or seat for the rider,  
15          and

16           “(iii) an electric motor of less than  
17          750 watts which is capable of propelling  
18          such vehicle,

19          “(C) the original use of which commences  
20          with the taxpayer,

21          “(D) which is acquired for use by the tax-  
22          payer in the United States and not for lease or  
23          resale, and

1           “(E) which is not property of a character  
2           subject to an allowance for depreciation or am-  
3           ortization in the hands of the taxpayer.

4           “(2) LIMITATION BASED ON ACQUISITION  
5           COST.—The term ‘qualified electric bicycle’ shall not  
6           include any vehicle if the aggregate amount paid for  
7           the acquisition of such vehicle exceeds \$8,000.

8           “(3) CLASS 1 ELECTRIC BICYCLE.—The term  
9           ‘class 1 electric bicycle’ means a two- or three-  
10          wheeled vehicle equipped with an electric motor that  
11          provides assistance only when the rider is pedaling,  
12          that is not capable of providing assistance when the  
13          speed of the vehicle exceeds 20 miles per hour, and  
14          that is not a class 3 electric bicycle.

15          “(4) CLASS 2 ELECTRIC BICYCLE.—The term  
16          ‘class 2 electric bicycle’ means a two- or three-  
17          wheeled vehicle equipped with an electric motor that  
18          may be used to propel the vehicle without the need  
19          of any additional assistance, and that is not capable  
20          of providing assistance when the speed of the vehicle  
21          exceeds 20 miles per hour.

22          “(5) CLASS 3 ELECTRIC BICYCLE.—The term  
23          ‘class 3 electric bicycle’ means a two- or three-  
24          wheeled vehicle equipped with an electric motor that  
25          provides assistance only when the rider is pedaling,

1 and that is not capable of providing assistance when  
2 the speed of the vehicle exceeds 28 miles per hour.”.

3 (b) CONFORMING AMENDMENTS.—

4 (1) Section 6211(b)(4)(A) of such Code is  
5 amended by inserting “36C,” after “36B,”.

6 (2) Paragraph (2) of section 1324(b) of title  
7 31, United States Code, is amended by inserting  
8 “36C,” after “36B,”.

9 (c) CLERICAL AMENDMENT.—The table of sections  
10 for subpart C of part IV of subchapter A of chapter 1  
11 of the Internal Revenue Code of 1986 is amended by in-  
12 serting after the item relating to section 36B the following  
13 new item:

“Sec. 36C. Electric bicycles.”.

14 (d) EFFECTIVE DATE.—The amendments made by  
15 this section shall apply to vehicles placed in service after  
16 the date of the enactment of this Act, in taxable years  
17 ending after such date.

18 (e) TREASURY REPORT.—Not later than 3 years  
19 after the date of the enactment of this Act, the Secretary  
20 of the Treasury (or the Secretary’s designee) shall make  
21 publicly available a written report specifying the number  
22 of taxpayers claiming the credit allowed under section 36C  
23 of the Internal Revenue Code of 1986 (as added by this  
24 section) and the aggregate dollar amount of such credits  
25 so allowed. Such information shall be stated separately for

1 taxable years beginning in 2021 and 2022, and shall be  
2 stated separately with respect to each such years with re-  
3 spect to taxpayers in each of the income brackets to which  
4 section 1 of such Code applies.