

105TH CONGRESS
2D SESSION

H. R. 3960

To amend the Internal Revenue Code of 1986 to provide that the special motor fuels excise tax on water-phased hydrocarbon fuel emulsions shall be based on their Btu content relative to gasoline.

IN THE HOUSE OF REPRESENTATIVES

MAY 22, 1998

Mr. ENSIGN (for himself and Mr. GIBBONS) 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 that the special motor fuels excise tax on water-phased hydrocarbon fuel emulsions shall be based on their Btu content relative to gasoline.

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. SPECIAL MOTOR FUELS EXCISE TAX ON**
4 **WATER-PHASED HYDROCARBON FUEL EMUL-**
5 **SIONS TO BE BASED ON THEIR BTU CONTENT**
6 **RELATIVE TO GASOLINE.**

7 (a) IN GENERAL.—Subparagraph (B) of section
8 4041(a)(2) of the Internal Revenue Code of 1986 (relating

1 to special motor fuels) is amended by striking “and” at
 2 the end of clause (ii), by striking the period at the end
 3 of clause (iii) and inserting “, and”, and by inserting after
 4 clause (iii) the following new clause:

5 “(iv) 12.66 cents per gallon in
 6 the case of any water-phased hydro-
 7 carbon fuel.”

8 (b) DEFINITION.—Paragraph (2) of section 4041(a)
 9 of such Code is amended by adding at the end the follow-
 10 ing new subparagraph:

11 “(C) WATER-PHASED HYDROCARBON
 12 FUEL.—For purposes of subparagraph (B), the
 13 term ‘water-phased hydrocarbon fuel’ means
 14 any liquid consisting of a hydrocarbon base and
 15 water if not less than 20 percent (by volume)
 16 of the liquid consists of water.”

17 (c) EFFECTIVE DATE.—The amendments made by
 18 this section shall take effect on October 1, 1998.

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