

105TH CONGRESS  
2D SESSION

# H. R. 4165

To amend the Internal Revenue Code of 1986 to provide an exemption from the gas guzzler tax for automobiles that are lengthened by certain small manufacturers.

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IN THE HOUSE OF REPRESENTATIVES

JUNE 25, 1998

Mr. CRANE introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to provide an exemption from the gas guzzler tax for automobiles that are lengthened by certain small manufacturers.

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. EXEMPTION FROM GAS GUZZLER TAX FOR**  
4                       **AUTOMOBILES THAT ARE LENGTHENED BY**  
5                       **CERTAIN SMALL MANUFACTURERS.**

6       (a) GENERAL RULE.—Paragraph (5) of section  
7       4064(b) of the Internal Revenue Code of 1986 (defining  
8       manufacturer) is amended by adding at the end the follow-  
9       ing new subparagraphs:

“(C) EXCEPTION FOR CERTAIN SMALL  
MANUFACTURERS.—Notwithstanding subpara-  
graph (B), a person shall not be treated as a  
manufacturer of any automobile if—

“(i) such person would (but for this  
subparagraph) be so treated solely by rea-  
son of lengthening an existing automobile,  
and

“(ii) such person is a small manufac-  
turer (as defined in subparagraph (D)) for  
the model year in which such lengthening  
occurs.

“(D) SMALL MANUFACTURER DEFINED.—

“(i) IN GENERAL.—For purposes of  
this paragraph, the term ‘small manufac-  
turer’ means any manufacturer—

“(I) who manufactured (whether  
or not in the United States) fewer  
than 10,000 automobiles in the sec-  
ond model year preceding the model  
year for which the determination  
under subparagraph (C) is being  
made, and

“(II) who can reasonably be ex-  
pected to manufacture (whether or

1 not in the United States) fewer than  
2 10,000 automobiles in the model year  
3 for which the determination under  
4 subparagraph (C) is being made.

5 “(ii) SPECIAL RULE.—For purposes of  
6 clause (i)—

7 “(I) MANUFACTURER.—The  
8 meaning of the term ‘manufacturer’  
9 shall be determined without regard to  
10 subparagraphs (A) and (C).

11 “(II) CONTROLLED GROUPS.—  
12 Person who are members of the same  
13 controlled group of corporations shall  
14 be treated as one manufacturer. For  
15 purposes of the preceding sentence,  
16 the term ‘controlled group of corpora-  
17 tions’ has the meaning given to such  
18 term by section 1563(a); except that  
19 ‘more than 50 percent’ shall be sub-  
20 stituted for ‘at least 80 percent’ each  
21 place it appears in section 1563(a).”

22 (b) EFFECTIVE DATE.—The amendment made by  
23 subsection (a) shall take effect on the date of the enact-  
24 ment of this Act.

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