

105TH CONGRESS
2D SESSION

H. R. 4703

To amend the Internal Revenue Code of 1986 to modify the tax on commercial aviation to and from airports located on sparsely populated islands.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 5, 1998

Mr. NEAL of Massachusetts (for himself and Mr. DELAHUNT) 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 modify the tax on commercial aviation to and from airports located on sparsely populated islands.

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. MODIFICATION OF TAX ON AIR TRANSPOR-**
4 **TATION TO AND FROM SPARSELY POPU-**
5 **LATED ISLANDS.**

6 (a) IN GENERAL.—Subsection (e) of section 4261 of
7 the Internal Revenue Code of 1986 is amended by redesignig-
8 nating paragraphs (4) and (5) as paragraphs (5) and (6),
9 respectively, and by inserting after paragraph (3) the fol-
10 lowing new paragraph:

1 “(4) SEGMENTS TO AND FROM CERTAIN ISLAND
2 AIRPORTS.—

3 “(A) EXCEPTION FROM SEGMENT TAX.—

4 The tax imposed by subsection (b)(1) shall not
5 apply to any domestic segment beginning or
6 ending at an airport which is a qualified island
7 airport for the calendar year in which such seg-
8 ment begins or ends (as the case may be).

9 “(B) QUALIFIED ISLAND AIRPORT.—For
10 purposes of this paragraph, the term ‘qualified
11 island airport’ means, with respect to any cal-
12 endar year, any airport if—

13 “(i) such airport is located on an is-
14 land having a population of 20,000 or less
15 (determined under the 1990 decennial cen-
16 sus), and

17 “(ii) during the second preceding cal-
18 endar year—

19 “(I) there were 400,000 or fewer
20 commercial passengers departing by
21 air from such airport, and

22 “(II) 50 percent or more of the
23 initial flight segments of such com-
24 mercial passengers are 100 miles or
25 less.

1 “(C) TICKET TAX.—In the case of any do-
2 mestic segment beginning or ending at an air-
3 port which is a qualified island airport for the
4 calendar year in which such segment begins or
5 ends (as the case may be), subsection (a) shall
6 be applied by substituting ‘10 percent’ for ‘7.5
7 percent’ and paragraph (6) shall not apply. A
8 rule similar to the rule of paragraph (1)(C)(ii)
9 shall apply for purposes of this subparagraph.”

10 (b) CONFORMING AMENDMENT.—Clause (i) of sec-
11 tion 4261(e)(1)(C) of such Code is amended by striking
12 “Paragraph (5)” and inserting “Paragraph (6)”.

13 (c) EFFECTIVE DATE.—The amendments made by
14 this section shall apply to transportation beginning after
15 the 7th day after the date of the enactment of this Act,
16 but shall not apply to amounts paid before such 7th day.

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