

105TH CONGRESS  
1ST SESSION

# S. 436

To amend the Internal Revenue Code of 1986 to provide for the establishment of an intercity passenger rail trust fund, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

MARCH 13, 1997

Mr. ROTH (for himself, Mr. MOYNIHAN, Mr. LAUTENBERG, Mr. WYDEN, Mr. JEFFORDS, Mr. BIDEN, Mr. KERRY, Mr. DEWINE, Mr. LEAHY, and Mr. SPECTER) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to provide for the establishment of an intercity passenger rail trust fund, and for other purposes.

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 “Intercity Passenger  
5 Rail Trust Fund Act of 1997”.

### 6 **SEC. 2. INTERCITY PASSENGER RAIL TRUST FUND.**

7 (a) ESTABLISHMENT OF TRUST FUND.—Subchapter  
8 A of chapter 98 of the Internal Revenue Code of 1986

1 (relating to trust fund code) is amended by adding at the  
 2 end the following new section:

3 **“SEC. 9512. INTERCITY PASSENGER RAIL TRUST FUND.**

4       “(a) CREATION OF TRUST FUND.—There is estab-  
 5 lished in the Treasury of the United States a trust fund  
 6 to be known as the ‘Intercity Passenger Rail Trust Fund’,  
 7 consisting of such amounts as may be transferred or cred-  
 8 ited to the Trust Fund as provided in this section or sec-  
 9 tion 9602(b).

10       “(b) TRANSFER TO INTERCITY PASSENGER RAIL  
 11 TRUST FUND OF AMOUNTS EQUIVALENT TO CERTAIN  
 12 TAXES.—There are hereby appropriated to the Intercity  
 13 Passenger Rail Trust Fund amounts equivalent to the  
 14 taxes received in the Treasury at the rate of .5 cent for  
 15 each gallon with respect to which tax is imposed under  
 16 section 4041 or 4081 after September 30, 1997, and be-  
 17 fore October 1, 2002, but only to the extent such taxes  
 18 are not attributable to the Highway Trust Fund financing  
 19 rate.

20       “(c) EXPENDITURES FROM TRUST FUND.—

21               “(1) IN GENERAL.—Amounts in the Intercity  
 22 Passenger Rail Trust Fund shall be available with-  
 23 out fiscal year limitation to finance qualified ex-  
 24 penses of—

1 “(A) the National Railroad Passenger Cor-  
 2 poration, and

3 “(B) each non-Amtrak State, to the extent  
 4 determined under paragraph (2).

5 “(2) MAXIMUM AMOUNT OF FUNDS TO NON-  
 6 AMTRAK STATES.—Each non-Amtrak State shall re-  
 7 ceive under this subsection an amount equal to the  
 8 lesser of—

9 “(A) the State’s qualified expenses for the  
 10 fiscal year, or

11 “(B) the product of—

12 “(i)  $\frac{1}{12}$  of 1 percent of the lesser of—

13 “(I) the aggregate amounts  
 14 transferred and credited to the Inter-  
 15 city Passenger Rail Trust Fund under  
 16 subsection (a) for such fiscal year, or

17 “(II) the aggregate amounts ap-  
 18 propriated from the Intercity Pas-  
 19 senger Rail Trust Fund for such fiscal  
 20 year, and

21 “(ii) the number of months such State  
 22 is a non-Amtrak State in such fiscal year.

23 If the amount determined under subparagraph (B)  
 24 exceeds the amount under subparagraph (A) for any  
 25 fiscal year, the amount under subparagraph (B) for

1 the following fiscal year shall be increased by the  
 2 amount of such excess.

3 “(d) DEFINITIONS.—For purposes of this section—

4 “(1) QUALIFIED EXPENSES.—The term ‘quali-  
 5 fied expenses’ means expenses incurred, with respect  
 6 to obligations made, after September 30, 1997, and  
 7 before October 1, 2002—

8 “(A) for—

9 “(i) in the case of the National Rail-  
 10 road Passenger Corporation, the acquisi-  
 11 tion of equipment, rolling stock, and other  
 12 capital improvements, the upgrading of  
 13 maintenance facilities, and the mainte-  
 14 nance of existing equipment, in intercity  
 15 passenger rail service, and the payment of  
 16 interest and principal on obligations in-  
 17 curred for such acquisition, upgrading, and  
 18 maintenance, and

19 “(ii) in the case of a non-Amtrak  
 20 State, the acquisition of equipment, rolling  
 21 stock, and other capital improvements, the  
 22 upgrading of maintenance facilities, and  
 23 the maintenance of existing equipment, in  
 24 intercity passenger rail or bus service, and  
 25 the payment of interest and principal on

1 obligations incurred for such acquisition,  
2 upgrading, and maintenance, and

3 “(B) certified by the Secretary of Trans-  
4 portation on October 1 as meeting the require-  
5 ments of subparagraph (A) and as qualified for  
6 payment under subsection (e) for the fiscal year  
7 beginning on such date.

8 “(2) NON-AMTRAK STATE.—The term ‘non-Am-  
9 trak State’ means any State which does not receive  
10 intercity passenger rail service from the National  
11 Railroad Passenger Corporation.

12 “(e) CONTRACT AUTHORITY.—Notwithstanding any  
13 other provision of law, the Secretary of Transportation  
14 shall certify expenses as qualified for a fiscal year on Octo-  
15 ber 1 of such year, in an amount not to exceed the amount  
16 of receipts estimated by the Secretary of the Treasury to  
17 be transferred to the Intercity Passenger Rail Trust Fund  
18 for such fiscal year. Such certification shall result in a  
19 contractual obligation of the United States for the pay-  
20 ment of such expenses.

21 “(f) TAX TREATMENT OF TRUST FUND EXPENDI-  
22 TURES.—With respect to any payment of qualified ex-  
23 penses from the Intercity Passenger Rail Trust Fund dur-  
24 ing any taxable year to a taxpayer—

1           “(1) such payment shall not be included in the  
2           gross income of the taxpayer for such taxable year,

3           “(2) no deduction shall be allowed to the tax-  
4           payer with respect to any amount paid or incurred  
5           which is attributable to such payment, and

6           “(3) the basis of any property shall be reduced  
7           by the portion of the cost of such property which is  
8           attributable to such payment.

9           “(g) TERMINATION.—The Secretary shall determine  
10          and retain, not later than October 1, 2002, the amount  
11          in the Intercity Passenger Rail Trust Fund necessary to  
12          pay any outstanding qualified expenses, and shall transfer  
13          any amount not so retained to the general fund of the  
14          Treasury.”

15          (b) CONFORMING AMENDMENT.—The table of sec-  
16          tions for subchapter A of chapter 98 of such Code (relat-  
17          ing to trust fund code) is amended by adding at the end  
18          the following new item:

                  “Sec. 9512. Intercity Passenger Rail Trust Fund.”

19          (c) EFFECTIVE DATE.—The amendments made by  
20          this section shall apply with respect to taxes imposed after  
21          September 30, 1997.

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