

106TH CONGRESS
2D SESSION

H. R. 3881

To amend the Internal Revenue Code of 1986 to repeal the 1993 4.3-cent increases in motor fuel taxes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 9, 2000

Mr. GRAHAM 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 repeal the 1993 4.3-cent increases in motor fuel taxes.

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. REPEAL OF 1993 INCREASES IN MOTOR FUEL**
4 **TAXES.**

5 (a) HIGHWAY GASOLINE.—Clause (i) of section
6 4081(a)(2)(A) of the Internal Revenue Code of 1986 is
7 amended by striking “18.3 cents” and inserting “14
8 cents”.

1 (b) AVIATION GASOLINE.—Clause (ii) of section
2 4081(a)(2)(A) of such Code is amended by striking “19.3
3 cents” and inserting “15 cents”.

4 (c) DIESEL FUEL AND KEROSENE.—Clause (iii) of
5 section 4081(a)(2)(A) of such Code is amended by striking
6 “24.3 cents” and inserting “20 cents”.

7 (d) AVIATION FUEL.—Paragraph (1) of section
8 4091(b) of such Code is amended by striking “21.8 cents”
9 and inserting “17.5 cents”.

10 (e) FUEL USED ON INLAND WATERWAYS.—

11 (1) Paragraph (1) of section 4042(b) of such
12 Code is amended by adding “and” at the end of sub-
13 paragraph (A), by striking “, and” at the end of
14 subparagraph (B) and inserting a period, and by
15 striking subparagraph (C).

16 (2) Paragraph (2) of section 4042(b) of such
17 Code is amended by striking subparagraph (C).

18 (f) TECHNICAL AMENDMENTS.—

19 (1) Subparagraph (A) of section 4041(a)(1) of
20 such Code is amended by striking “or a diesel-pow-
21 ered train” each place it appears and by striking “or
22 train”.

23 (2) Subparagraph (C) of section 4041(a)(1) of
24 such Code is amended by striking clause (ii) and by
25 redesignating clause (iii) as clause (ii).

1 (3) Subclause (I) of section 4041(a)(1)(C)(ii) of
2 such Code, as redesignated by paragraph (2), is
3 amended by striking “7.3 cents” and inserting “3
4 cents” and by striking “4.3 cents per gallon” and
5 inserting “zero”.

6 (4) Subsection (a) of section 4041 of such Code
7 is amended by striking paragraph (3).

8 (5) Subparagraph (C) of section 4041(b)(1) of
9 such Code is amended by striking all that follows
10 “section 6421(e)(2)” and inserting a period.

11 (6) Paragraph (3) of section 4041(c) of such
12 Code is amended to read as follows:

13 “(3) TERMINATION.—The rate of the taxes im-
14 posed by paragraph (1) shall be zero after Sep-
15 tember 30, 2007.”

16 (7) Clauses (i) and (ii) of section
17 4041(m)(1)(A) of such Code are amended to read as
18 follows:

19 “(i) 7 cents per gallon on and after
20 the date of the enactment of this clause
21 and before October 1, 2005, and

22 “(ii) zero after September 30, 2005,
23 and”.

24 (8) Subsection (c) of section 4081 of such Code
25 is amended by striking paragraph (6) and by redес-

1 ignating paragraphs (7) and (8) as paragraphs (6)
2 and (7), respectively.

3 (9) Paragraphs (1) and (2) of section 4081(d)
4 of such Code are amended to read as follows:

5 “(1) IN GENERAL.—The rates of tax specified
6 in clauses (i) and (iii) of subsection (a)(2)(A) shall
7 be zero after September 30, 2005.

8 “(2) AVIATION GASOLINE.—The rate of tax
9 specified in subsection (a)(2)(A)(ii) shall be zero
10 after September 30, 2007.”

11 (10) Paragraph (3) of section 4083(a) of such
12 Code is amended by striking “or a diesel-powered
13 train”.

14 (11) Subparagraph (A) of section 4091(b)(3) of
15 such Code is amended to read as follows:

16 “(A) The rate of tax specified in para-
17 graph (1) shall be zero after September 30,
18 2007.”

19 (12) Subsection (c) of section 4091 of such
20 Code is amended—

21 (A) by striking “13.4 cents” each place it
22 appears in paragraph (1) and inserting “9.1
23 cents”,

24 (B) by striking “14 cents” in paragraph
25 (1) and inserting “9.7 cents”,

1 (C) by striking paragraph (4), and

2 (D) by redesignating paragraph (5) as
3 paragraph (4).

4 (13) Subsection (b) of section 4092 of such
5 Code is amended by striking “attributable to” and
6 all that follows and inserting “attributable to the
7 Leaking Underground Storage Tank Trust Fund fi-
8 nancing rate imposed by such section. For purposes
9 of the preceding sentence, the term ‘commercial
10 aviation’ means any use of an aircraft other than in
11 noncommercial aviation (as defined in section
12 4041(c)(2)).”

13 (14) Subparagraph (B) of section 6421(f)(2) of
14 such Code is amended by striking “and,” and all
15 that follows and inserting a period.

16 (15) Paragraph (3) of section 6421(f) of such
17 Code is amended to read as follows:

18 “(3) GASOLINE USED IN TRAINS.—In the case
19 of gasoline used as a fuel in a train, this section
20 shall not apply with respect to the Leaking Under-
21 ground Storage Tank Trust Fund financing rate
22 under section 4081.”

23 (16) Subparagraph (A) of section 6427(b)(2) of
24 such Code is amended by striking “7.4 cents” and
25 inserting “3.1 cents”.

1 (17) Paragraph (3) of section 6427(l) of such
2 Code is amended to read as follows:

3 “(3) REFUND OF CERTAIN TAXES ON FUEL
4 USED IN DIESEL-POWERED TRAINS.—For purposes
5 of this subsection, the term ‘nontaxable use’ includes
6 fuel used in a diesel-powered train. The preceding
7 sentence shall not apply to the Leaking Under-
8 ground Storage Tank Trust Fund financing rate
9 under section 4081 except with respect to fuel sold
10 for exclusive use by a State or any political subdivi-
11 sion thereof.”

12 (18) Paragraph (4) of section 6427(l) of such
13 Code is amended by striking “attributable to” and
14 all that follows through the period and inserting “at-
15 tributable to the Leaking Underground Storage
16 Tank Trust Fund financing rate imposed by such
17 section.”

18 (g) EFFECTIVE DATE.—The amendments made by
19 this section shall take effect on the date of the enactment
20 of this Act.

21 (h) FLOOR STOCK REFUNDS.—

22 (1) IN GENERAL.—If—

23 (A) before the date of the enactment of
24 this Act, tax has been imposed under section

1 4081 or 4091 of the Internal Revenue Code of
2 1986 on any liquid, and

3 (B) on such date such liquid is held by a
4 dealer and has not been used and is intended
5 for sale,

6 there shall be credited or refunded (without interest)
7 to the person who paid such tax (hereafter in this
8 subsection referred to as the “taxpayer”) an amount
9 equal to the excess of the tax paid by the taxpayer
10 over the amount of such tax which would be imposed
11 on such liquid had the taxable event occurred on
12 such date.

13 (2) TIME FOR FILING CLAIMS.—No credit or re-
14 fund shall be allowed or made under this subsection
15 unless—

16 (A) claim therefor is filed with the Sec-
17 retary of the Treasury before the date which is
18 6 months after the date of the enactment of
19 this Act, based on a request submitted to the
20 taxpayer before the date which is 3 months
21 after such date of enactment, by the dealer who
22 held the liquid on such date of enactment, and

23 (B) the taxpayer has repaid or agreed to
24 repay the amount so claimed to such dealer or
25 has obtained the written consent of such dealer

1 to the allowance of the credit or the making of
2 the refund.

3 (3) EXCEPTION FOR FUEL HELD IN RETAIL
4 STOCKS.—No credit or refund shall be allowed under
5 this subsection with respect to any liquid in retail
6 stocks held at the place where intended to be sold
7 at retail.

8 (4) DEFINITIONS.—For purposes of this sub-
9 section, the terms “dealer” and “held by a dealer”
10 have the respective meanings given to such terms by
11 section 6412 of such Code.

12 (5) CERTAIN RULES TO APPLY.—Rules similar
13 to the rules of subsections (b) and (c) of section
14 6412 of such Code shall apply for purposes of this
15 subsection.

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