

106TH CONGRESS
2D SESSION

H. R. 3982

To amend the Internal Revenue Code of 1986 to repeal the 30-percent tax increase on highway gasoline, diesel fuel, and kerosene imposed by the 1993 tax bill.

IN THE HOUSE OF REPRESENTATIVES

MARCH 15, 2000

Mr. COX 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 30-percent tax increase on highway gasoline, diesel fuel, and kerosene imposed by the 1993 tax bill.

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 “Emergency Tax Relief
5 for Motorists and Truckers Act of 2000”.

6 **SEC. 2. FINDINGS AND PURPOSE.**

7 (a) FINDINGS.—Congress finds the following:

8 (1) Excessive taxation is a significant contrib-
9 uting factor to high gasoline and diesel fuel prices.

1 (2) Over the last decade, governments are in
2 fact directly responsible for the entirety of the in-
3 crease in retail gasoline prices. While the before-tax
4 cost of a gallon of gasoline actually declined from
5 1990 to 1999, State gas taxes were increased by 40
6 percent, and the Federal gas tax was increased by
7 100 percent.

8 (3) The 1993 tax bill boosted Federal motor
9 fuel taxes by 4.3 cents per gallon. It increased the
10 gasoline tax to 18.4 cents per gallon, and the diesel
11 fuel tax to 24.4 cents per gallon.

12 (4) Federal and State gas taxes are responsible
13 for nearly one-third of the average pump price, ac-
14 cording to the United States Department of Energy
15 figures. Federal and State gas taxes now average 42
16 cents per gallon of gasoline, and 48 cents per gallon
17 of diesel fuel.

18 (5) The revenue raised by the 1993 gas tax in-
19 crease was originally earmarked for deficit reduc-
20 tion. Now that the deficit has been eliminated, Con-
21 gress should repeal the 4.3-cent motor fuel tax in-
22 crease.

23 (6) Repeal of the 1993 motor fuel tax increase
24 will disproportionately benefit low- and middle-in-
25 come working families. According to one estimate,

1 23 percent of all gas taxes are paid by working men
 2 and women earning less than \$20,000 annually. The
 3 average American family pays \$660 a year in Fed-
 4 eral and State gas taxes.

5 (7) Repeal of the 1993 motor fuel tax increase
 6 will benefit all Americans by reducing the cost of
 7 shipping food and other goods over long distances.

8 (b) PURPOSE.—It is the purpose of this Act to pro-
 9 vide immediate financial relief to motorists and truckers
 10 by reducing all motor fuel taxes by 4.3 cents per gallon
 11 by repealing the 1993 tax increase.

12 **SEC. 3. REPEAL OF 4.3-CENT INCREASE IN HIGHWAY GASO-**
 13 **LINE, DIESEL FUEL, AND KEROSENE EN-**
 14 **ACTED BY THE OMNIBUS BUDGET REC-**
 15 **ONCILIATION ACT OF 1993.**

16 (a) HIGHWAY GASOLINE.—Clause (i) of section
 17 4081(a)(2)(A) of the Internal Revenue Code of 1986 is
 18 amended by striking “18.3 cents” and inserting “14
 19 cents”.

20 (b) DIESEL FUEL AND KEROSENE.—Clause (iii) of
 21 section 4081(a)(2)(A) of such Code is amended by striking
 22 “24.3 cents” and inserting “20 cents”.

23 (c) TECHNICAL AMENDMENTS.—

1 (1) Subparagraph (B) of section 40(e)(1) of
2 such Code is amended by striking “are 4.3 cents per
3 gallon” and inserting “are zero”.

4 (2) Subparagraph (A) of section 4041(a)(1) of
5 such Code is amended by striking “or a diesel-pow-
6 ered train” each place it appears and by striking “or
7 train”.

8 (3) Subparagraph (C) of section 4041(a)(1) of
9 such Code is amended by striking clause (ii) and by
10 redesignating clause (iii) as clause (ii).

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

16 (5) Subsection (a) of section 4041 of such Code
17 is amended by striking paragraph (3).

18 (6) Subparagraph (C) of section 4041(b)(1) of
19 such Code is amended by striking all that follows
20 “section 6421(e)(2)” and inserting a period.

21 (7) Paragraph (3) of section 4041(c) of such
22 Code is amended to read as follows:

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

1 (8) Subsection (d) of section 4041 of such Code
2 is amended by redesignating paragraph (3) as para-
3 graph (4) and by inserting after paragraph (2) the
4 following new paragraph:

5 “(3) DIESEL FUEL USED IN TRAINS.—There is
6 hereby imposed a tax of 0.1 cent per gallon on any
7 liquid other than gasoline (as defined in section
8 4083)—

9 “(A) sold by any person to an owner, les-
10 see, or other operator of a diesel-powered train
11 for use as a fuel in such train, or

12 “(B) used by any person as a fuel in a die-
13 sel-powered train unless there was a taxable
14 sale of such fuel under subparagraph (A).

15 No tax shall be imposed by this paragraph on the
16 sale or use of any liquid if tax was imposed on such
17 liquid under section 4081.”

18 (9) Clauses (i) and (ii) of section
19 4041(m)(1)(A) of such Code are amended to read as
20 follows:

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

24 “(ii) zero after September 30, 2005,
25 and”.

1 (10) Subsection (c) of section 4081 of such
2 Code is amended by striking paragraph (6) and by
3 redesignating paragraphs (7) and (8) as paragraphs
4 (6) and (7), respectively.

5 (11) Paragraphs (1) and (2) of section 4081(d)
6 of such Code (as amended by section 3) are each
7 amended by striking “4.3 cents per gallon” and in-
8 serting “zero”.

9 (12) Subsection (f) of section 4082 of such
10 Code is amended by striking “section 4041(a)(1)”
11 and inserting “subsections (d)(3) and (a)(1) of sec-
12 tion 4041, respectively”.

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

16 (14) 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 (15) 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 (16) 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 tax imposed by sec-
8 tion 4041(d) and the Leaking Underground Storage
9 Tank Trust Fund financing rate under section 4081
10 except with respect to fuel sold for exclusive use by
11 a State or any political subdivision thereof.”

12 (d) EFFECTIVE DATE.—The amendments made by
13 this section shall take effect on the date of the enactment
14 of this Act.

15 **SEC. 4. FLOOR STOCK REFUNDS.**

16 (a) IN GENERAL.—If—

17 (1) before the date of the enactment of this
18 Act, tax has been imposed under section 4081 of the
19 Internal Revenue Code of 1986 on any liquid, and

20 (2) on such date such liquid is held by a dealer
21 and has not been used and is intended for sale,

22 there shall be credited or refunded (without interest) to
23 the person who paid such tax (hereafter in this section
24 referred to as the “taxpayer”) an amount equal to the ex-
25 cess of the tax paid by the taxpayer over the amount of

1 such tax which would be imposed on such liquid had the
2 taxable event occurred on such date.

3 (b) TIME FOR FILING CLAIMS.—No credit or refund
4 shall be allowed or made under this section unless—

5 (1) claim therefor is filed with the Secretary of
6 the Treasury before the date which is 6 months
7 after the date of the enactment of this Act, based
8 on a request submitted to the taxpayer before the
9 date which is 3 months after such date of enact-
10 ment, by the dealer who held the liquid on such date
11 of enactment, and

12 (2) the taxpayer has repaid or agreed to repay
13 the amount so claimed to such dealer or has ob-
14 tained the written consent of such dealer to the al-
15 lowance of the credit or the making of the refund.

16 (c) EXCEPTION FOR FUEL HELD IN RETAIL
17 STOCKS.—No credit or refund shall be allowed under this
18 section with respect to any liquid in retail stocks held at
19 the place where intended to be sold at retail.

20 (d) DEFINITIONS.—For purposes of this section, the
21 terms “dealer” and “held by a dealer” have the respective
22 meanings given to such terms by section 6412 of such
23 Code.

- 1 (e) CERTAIN RULES TO APPLY.—Rules similar to the
- 2 rules of subsections (b) and (c) of section 6412 of such
- 3 Code shall apply for purposes of this section.

