

106TH CONGRESS  
2D SESSION

# H. R. 4006

To amend the Internal Revenue Code of 1986 to reduce motor fuel excise tax rates.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 16, 2000

Mr. COLLINS (for himself, Mr. POMBO, Mr. DEAL of Georgia, Mr. GRAHAM, Mr. HAYWORTH, Mr. SAM JOHNSON of Texas, and Mr. BARR of Georgia) 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 reduce motor fuel excise tax rates.

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 “Fuel Tax Cost Reduc-  
5 tion Act of 2000”.

1 **SEC. 2. REDUCTION OF HIGHWAY MOTOR FUEL TAX RATES**  
 2 **TO PRE-1990 LEVELS; 4.3-CENT REDUCTION IN**  
 3 **OTHER FUEL TAX RATES.**

4 (a) HIGHWAY GASOLINE.—Clause (i) of section  
 5 4081(a)(2)(A) of the Internal Revenue Code of 1986 is  
 6 amended by striking “18.3 cents” and inserting “9 cents”.

7 (b) AVIATION GASOLINE.—Clause (ii) of section  
 8 4081(a)(2)(A) of such Code is amended by striking “19.3  
 9 cents” and inserting “15 cents”.

10 (c) DIESEL FUEL AND KEROSENE.—Clause (iii) of  
 11 section 4081(a)(2)(A) of such Code is amended by striking  
 12 “24.3 cents” and inserting “15 cents”.

13 (d) AVIATION FUEL.—Paragraph (1) of section  
 14 4091(b) of such Code is amended by striking “21.8 cents”  
 15 and inserting “17.5 cents”.

16 (e) FUEL USED ON INLAND WATERWAYS.—

17 (1) Paragraph (1) of section 4042(b) of such  
 18 Code is amended by adding “and” at the end of sub-  
 19 paragraph (A), by striking “, and” at the end of  
 20 subparagraph (B) and inserting a period, and by  
 21 striking subparagraph (C).

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

24 (f) TECHNICAL AMENDMENTS.—

25 (1) Subparagraph (B) of section 40(e)(1) of  
 26 such Code is amended by striking “during which the

1 rates of tax under section 4081(a)(2)(A) are 4.3  
2 cents per gallon” and inserting “during which the  
3 rate of tax under section 4081(a)(2)(A)(i) does not  
4 apply”.

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

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

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

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

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

22 (7) Subparagraph (B) of section 4041(a)(2) of  
23 such Code is amended by striking all that follows  
24 clause (i) and inserting the following new clauses:

1 “(ii) 5.4 cents per gallon in the case  
2 of any sale or use of liquefied petroleum  
3 gas before October 1, 2005, and

4 “(iii) 4.1 cents per gallon in the case  
5 of any sale or use of liquefied natural gas  
6 before October 1, 2005.”

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

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

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

16 “(3) DIESEL FUEL USED IN TRAINS.—There is  
17 hereby imposed a tax of 0.1 cent per gallon on any  
18 liquid other than gasoline (as defined in section  
19 4083)—

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

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

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

4 (10) Clauses (i) and (ii) of section  
5 4041(m)(1)(A) of such Code are amended to read as  
6 follows:

7 “(i) 2 cents per gallon on and after  
8 the date of the enactment of this clause  
9 and before October 1, 2005, and

10 “(ii) zero after September 30, 2005,  
11 and”.

12 (11) Subsection (c) of section 4081 of such  
13 Code is amended by striking paragraph (6) and by  
14 redesignating paragraphs (7) and (8) as paragraphs  
15 (6) and (7), respectively.

16 (12) Paragraphs (1) and (2) of section 4081(d)  
17 of such Code are amended to read as follows:

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

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

24 (13) Subsection (f) of section 4082 of such  
25 Code is amended by striking “section 4041(a)(1)”

1 and inserting “subsections (d)(3) and (a)(1) of sec-  
2 tion 4041, respectively”.

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

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

8 “(A) The rate of tax specified in para-  
9 graph (1) shall be zero after September 30,  
10 2007.”

11 (16) Paragraph (1) of section 4091(c) of such  
12 Code is amended—

13 (A) by striking “14 cents” and inserting  
14 “9.7 cents”,

15 (B) by striking “13.3 cents” and inserting  
16 “9 cents”,

17 (C) by striking “13.2 cents” and inserting  
18 “8.9 cents”,

19 (D) by striking “13.1 cents” and inserting  
20 “8.8 cents”, and

21 (E) by striking “13.4 cents” and inserting  
22 “9.1 cents”.

23 (17) Subsection (c) of section 4091 of such  
24 Code is amended by striking paragraph (4), and by  
25 redesignating paragraph (5) as paragraph (4).

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

10          (19) Subparagraph (B) of section 6421(f)(2) of  
11       such Code is amended by striking “and,” and all  
12       that follows and inserting a period.

13          (20) Paragraph (3) of section 6421(f) of such  
14       Code is amended to read as follows:

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

20          (21) Subparagraph (A) of section 6427(b)(2) of  
21       such Code is amended by striking “7.4 cents” and  
22       inserting “3.1 cents”.

23          (22) Paragraph (3) of section 6427(l) of such  
24       Code is amended to read as follows:

1           “(3) REFUND OF CERTAIN TAXES ON FUEL  
 2           USED IN DIESEL-POWERED TRAINS.—For purposes  
 3           of this subsection, the term ‘nontaxable use’ includes  
 4           fuel used in a diesel-powered train. The preceding  
 5           sentence shall not apply to the tax imposed by sec-  
 6           tion 4041(d) and the Leaking Underground Storage  
 7           Tank Trust Fund financing rate under section 4081  
 8           except with respect to fuel sold for exclusive use by  
 9           a State or any political subdivision thereof.”

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

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

19           (h) FLOOR STOCK REFUNDS.—

20           (1) IN GENERAL.—If—

21                   (A) before the date of the enactment of  
 22                   this Act, tax has been imposed under section  
 23                   4081 or 4091 of the Internal Revenue Code of  
 24                   1986 on any liquid, and



1           (B) on such date such liquid is held by a  
2           dealer and has not been used and is intended  
3           for sale,  
4           there shall be credited or refunded (without interest)  
5           to the person who paid such tax (hereafter in this  
6           subsection referred to as the “taxpayer”) an amount  
7           equal to the excess of the tax paid by the taxpayer  
8           over the amount of such tax which would be imposed  
9           on such liquid had the taxable event occurred on  
10          such date.

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

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

21                (B) the taxpayer has repaid or agreed to  
22                repay the amount so claimed to such dealer or  
23                has obtained the written consent of such dealer  
24                to the allowance of the credit or the making of  
25                the refund.

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

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

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

14          (i) MAINTENANCE OF TRUST FUND DEPOSITS.—In  
15       determining the amounts to be appropriated to any trust  
16       fund, an amount equal to the reduction in revenues to the  
17       Treasury by reason of a reduction under this Act in any  
18       rate shall be treated as taxes received in the Treasury  
19       under such rate.

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