

106TH CONGRESS  
1ST SESSION

# S. 1759

To amend the Internal Revenue Code of 1986 to allow a refundable credit for taxpayers owning certain commercial power takeoff vehicles.

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IN THE SENATE OF THE UNITED STATES

OCTOBER 21, 1999

Mr. BREAU (for himself and Mr. MACK) 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 allow a refundable credit for taxpayers owning certain commercial power takeoff vehicles.

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 Equalization  
5 Credit for Substantial Power Takeoff Vehicles Act”.

6 **SEC. 2. REFUNDABLE CREDIT FOR TAXPAYERS OWNING**  
7 **COMMERCIAL POWER TAKEOFF VEHICLES.**

8 (a) IN GENERAL.—Section 34 of the Internal Rev-  
9 enue Code of 1986 (relating to certain uses of gasoline

1 and special fuels) is amended by adding at the end the  
 2 following new subsection:

3 “(c) CREDIT FOR COMMERCIAL POWER TAKEOFF  
 4 VEHICLES.—

5 “(1) IN GENERAL.—There shall be allowed as a  
 6 credit against the tax imposed by this subtitle for  
 7 the taxable year the amount of \$250 for each quali-  
 8 fied commercial power takeoff vehicle owned by the  
 9 taxpayer as of the close of the calendar year in  
 10 which or with which the taxable year of the taxpayer  
 11 ends.

12 “(2) QUALIFIED COMMERCIAL POWER TAKEOFF  
 13 VEHICLE.—For purposes of this subsection, the term  
 14 ‘qualified commercial power takeoff vehicle’ means  
 15 any highway vehicle described in paragraph (3)  
 16 which is propelled by any fuel subject to tax under  
 17 section 4041 or 4081 if such vehicle is used in a  
 18 trade or business or for the production of income  
 19 (and is licensed and insured for such use).

20 “(3) HIGHWAY VEHICLE DESCRIBED.—A high-  
 21 way vehicle is described in this paragraph if such ve-  
 22 hicle is—

23 “(A) designed to engage in the daily collec-  
 24 tion of refuse or recyclables from homes or  
 25 businesses and is equipped with a mechanism

under which the vehicle's propulsion engine provides the power to operate a load compactor, or

“(B) designed to deliver ready mixed concrete on a daily basis and is equipped with a mechanism under which the vehicle's propulsion engine provides the power to operate a mixer drum to agitate and mix the product en route to the delivery site.

“(4) EXCEPTION FOR VEHICLES USED BY GOVERNMENTS, ETC.—No credit shall be allowed under this subsection for any vehicle owned by any person at the close of a calendar year if such vehicle is used at any time during such year by—

“(A) the United States or an agency or instrumentality thereof, a State, a political subdivision of a State, or an agency or instrumentality of one or more States or political subdivisions, or

“(B) an organization exempt from tax under section 501(a).

“(5) DENIAL OF DOUBLE BENEFIT.—The amount of any deduction under this subtitle for any tax imposed by subchapter B of chapter 31 or part III of subchapter A of chapter 32 for any taxable year shall be reduced (but not below zero) by the

1        amount of the credit determined under this sub-  
2        section for such taxable year.”

3        (b) EFFECTIVE DATE.—The amendment made by  
4 this section shall apply to taxable years ending after De-  
5 cember 31, 1999.

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