

106TH CONGRESS
1ST SESSION

S. 888

To amend the Internal Revenue Code of 1986 to modify the air transportation tax changes made by the Taxpayer Relief Act of 1997.

IN THE SENATE OF THE UNITED STATES

APRIL 27, 1999

Mr. MURKOWSKI (for himself, Mr. AKAKA, Mr. STEVENS, and Mr. INOUE) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to modify the air transportation tax changes made by the Taxpayer Relief Act of 1997.

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. MODIFICATIONS TO AIR TRANSPORTATION TAX**
4 **CHANGES MADE BY TAXPAYER RELIEF ACT**
5 **OF 1997.**

6 (a) ELIMINATION OF INFLATION ADJUSTMENT FOR
7 TAX ON CERTAIN USE OF INTERNATIONAL TRAVEL FA-
8 CILITIES.—Section 4261(e)(4) of the Internal Revenue

1 Code of 1986 (relating to inflation adjustment of dollar
2 rates of tax) is amended—

3 (1) in subparagraph (A), by striking “each dol-
4 lar amount contained in subsection (c)” and insert-
5 ing “the \$12.00 amount contained in subsection
6 (c)(1)”, and

7 (2) in subparagraph (B)(ii), by striking “the
8 dollar amounts contained in subsection (c)” and in-
9 serting “the \$12.00 amount contained in subsection
10 (c)(1)”.

11 (b) MODIFICATION OF RURAL AIRPORT DEFINI-
12 TION.—Clauses (i) and (ii) of section 4261(e)(1)(B) of the
13 Internal Revenue Code of 1986 (defining rural airport)
14 are amended to read as follows:

15 “(i) there were fewer than 100,000
16 commercial passengers departing by air
17 during the second preceding calendar year
18 from such airport and such airport—

19 “(I) is not located within 75
20 miles of another airport which is not
21 described in this clause, or

22 “(II) is receiving essential air
23 service subsidies as of August 5,
24 1997, or

1 “(ii) such airport is not connected by
 2 paved roads to another airport.”

3 (c) IMPOSITION OF TICKET TAX ON SEGMENTS TO
 4 AND FROM ALASKA OR HAWAII OR WITHIN ALASKA OR
 5 HAWAII AT RATE IN EFFECT BEFORE THE TAXPAYER
 6 RELIEF ACT OF 1997.—Section 4261(e) of the Internal
 7 Revenue Code of 1986 (relating to special rules) is amend-
 8 ed by adding at the end the following:

9 “(6) SEGMENTS TO AND FROM ALASKA OR HA-
 10 WAI OR WITHIN ALASKA OR HAWAII.—Except with
 11 respect to any domestic segment described in para-
 12 graph (1), in the case of transportation involving 1
 13 or more domestic segments at least 1 of which be-
 14 gins or ends in Alaska or Hawaii or in the case of
 15 a domestic segment beginning and ending in Alaska
 16 or Hawaii—

17 “(A) subsection (a) shall be applied by
 18 substituting “10 percent” for the otherwise ap-
 19 plicable percentage, and

20 “(B) the tax imposed by subsection (b)(1)
 21 shall not apply.”.

22 (d) EFFECTIVE DATE.—The amendments made by
 23 this section shall take effect 7 days after the date of the
 24 enactment of this Act.

○