

107TH CONGRESS  
1ST SESSION

# H. R. 1915

To amend the Internal Revenue Code of 1986 to suspend for six months  
the 4.3 cent increase in motor fuel taxes enacted in 1993.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 17, 2001

Mr. SMITH of Michigan 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 suspend  
for six months the 4.3 cent increase in motor fuel taxes  
enacted in 1993.

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 “Gas Affordability Act  
5       of 2001”.

6       **SEC. 2. SIX-MONTH SUSPENSION OF 1993 4.3 CENT IN-**  
7       **CREASE IN FUEL TAXES.**

8       (a) SIX-MONTH SUSPENSION OF FUEL TAXES.—Sec-  
9       tion 4081 of the Internal Revenue Code of 1986 (relating  
10      to imposition of tax on gasoline, diesel fuel, and kerosene)

1 is amended by adding at the end the following new sub-  
2 section:

3 “(f) TEMPORARY SUSPENSION OF FUEL TAXES.—

4 “(1) IN GENERAL.—During the suspension pe-  
5 riod, each rate of tax referred to in paragraph (2)  
6 shall be reduced by 4.3 cents per gallon.

7 “(2) RATES OF TAX.—The rates of tax referred  
8 to in this paragraph are the rates of tax otherwise  
9 applicable under—

10 “(A) subsection (a)(2)(A) (relating to gas-  
11 oline, diesel fuel, and kerosene),

12 “(B) sections 4091(b)(3)(A) (relating to  
13 aviation fuel),

14 “(C) section 4042(b)(2)(C) (relating to  
15 fuel used on inland waterways),

16 “(D) paragraph (1) or (2) of section  
17 4041(a) (relating to diesel fuel, special fuels,  
18 and compressed natural gas), and

19 “(E) section 4041(m)(1)(A)(i) (relating to  
20 certain methanol or ethanol fuels).

21 “(3) COMPARABLE TREATMENT FOR COM-  
22 PRESSED NATURAL GAS.—No tax shall be imposed  
23 by section 4041(a)(3) on any sale or use during the  
24 applicable period.

1           “(4) COMPARABLE TREATMENT UNDER CER-  
 2           TAIN REFUND RULES.—In the case of fuel on which  
 3           tax is imposed during the applicable period, each of  
 4           the rates specified in sections 6421(f)(2)(B),  
 5           6421(f)(3)(B)(iii), 6427(b)(2)(A), 6427(l)(3)(B)(iii),  
 6           and 6427(l)(4)(B) shall be reduced by 4.3 cents per  
 7           gallon.

8           “(5) SUSPENSION PERIOD.—For purposes of  
 9           this subsection, the term ‘suspension period’ means  
 10          the period beginning on July 1, 2001, and ending on  
 11          December 31, 2001.”

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

15   **SEC. 3. FLOOR STOCK REFUNDS.**

16          (a) IN GENERAL.—If—

17               (1) before the tax suspension date, tax has been  
 18               imposed under section 4081 or 4091 of the Internal  
 19               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 tax suspension date, and

8 (2) in any case where liquid is held by a dealer  
9 (other than the taxpayer) on the tax suspension  
10 date—

11 (A) the dealer submits a request for refund  
12 or credit to the taxpayer before the date which  
13 is 3 months after the tax suspension date, and

14 (B) the taxpayer has repaid or agreed to  
15 repay the amount so claimed to such dealer or  
16 has obtained the written consent of such dealer  
17 to the allowance of the credit or the making of  
18 the refund.

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

23 (d) DEFINITIONS.—For purposes of this section—

24 (1) the terms “dealer” and “held by a dealer”  
25 have the respective meanings given to such terms by

1 section 6412 of such Code; except that the term  
2 “dealer” includes a producer, and

3 (2) the term “tax suspension date” means the  
4 date on which the suspension period begins under  
5 section 4081(f) of the Internal Revenue Code of  
6 1986 (as added by section 2).

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

10 **SEC. 4. FLOOR STOCKS TAX.**

11 (a) IMPOSITION OF TAX.—In the case of any taxable  
12 liquid which is held on the floor stocks tax date by any  
13 person, there is hereby imposed a floor stocks tax equal  
14 to the excess of the tax which would be imposed under  
15 section 4041, 4081, or 4091 of the Internal Revenue Code  
16 of 1986 on such liquid had the taxable event occurred on  
17 the floor stocks tax date over the tax paid under such sec-  
18 tions on such liquid.

19 (b) LIABILITY FOR TAX AND METHOD OF PAY-  
20 MENT.—

21 (1) LIABILITY FOR TAX.—A person holding a  
22 liquid on the floor stocks tax date to which the tax  
23 imposed by subsection (a) applies shall be liable for  
24 such tax.

1           (2) METHOD OF PAYMENT.—The tax imposed  
2           by subsection (a) shall be paid in such manner as  
3           the Secretary shall prescribe.

4           (3) TIME FOR PAYMENT.—The tax imposed by  
5           subsection (a) shall be paid on or before the date  
6           which is 6 months after the floor stocks tax date.

7           (c) DEFINITIONS.—For purposes of this section—

8           (1) HELD BY A PERSON.—A liquid shall be con-  
9           sidered as “held by a person” if title thereto has  
10          passed to such person (whether or not delivery to  
11          the person has been made).

12          (2) TAXABLE LIQUID.—The term ‘taxable liq-  
13          uid’ means any liquid on which tax is imposed under  
14          section 4041, 4081, or 4091 of the Internal Revenue  
15          Code of 1986 on the floor stocks tax date.

16          (3) GASOLINE AND DIESEL FUEL.—The terms  
17          “gasoline” and “diesel fuel” have the respective  
18          meanings given such terms by section 4083 of such  
19          Code.

20          (4) AVIATION FUEL.—The term “aviation fuel”  
21          has the meaning given such term by section 4093 of  
22          such Code.

23          (5) FLOOR STOCKS TAX DATE.—The term  
24          “floor stocks tax date” means the day after the end

1 of the suspension period under section 4081(f) of  
2 such Code (as added by section 2).

3 (6) SECRETARY.—The term “Secretary” means  
4 the Secretary of the Treasury or the Secretary’s del-  
5 egate.

6 (d) EXCEPTION FOR EXEMPT USES.—The tax im-  
7 posed by subsection (a) shall not apply to taxable liquid  
8 held by any person exclusively for any use to the extent  
9 a credit or refund of the tax imposed by section 4041,  
10 4081, or 4091 of such Code is allowable for such use.

11 (e) EXCEPTION FOR FUEL HELD IN VEHICLE  
12 TANK.—No tax shall be imposed by subsection (a) on tax-  
13 able liquid held in the tank of a motor vehicle or motor-  
14 boat.

15 (f) EXCEPTION FOR CERTAIN AMOUNTS OF FUEL.—

16 (1) IN GENERAL.—No tax shall be imposed by  
17 subsection (a)—

18 (A) on gasoline held on the floor stocks tax  
19 date by any person if the aggregate amount of  
20 gasoline held by such person on such date does  
21 not exceed 4,000 gallons, and

22 (B) on diesel fuel, kerosene, or aviation  
23 fuel held on such date by any person if the ag-  
24 gregate amount of diesel fuel, kerosene, or avia-

1           tion fuel held by such person on such date does  
2           not exceed 2,000 gallons.

3           The preceding sentence shall apply only if such per-  
4           son submits to the Secretary (at the time and in the  
5           manner required by the Secretary) such information  
6           as the Secretary shall require for purposes of this  
7           paragraph.

8           (2) EXEMPT FUEL.—For purposes of para-  
9           graph (1), there shall not be taken into account fuel  
10          held by any person which is exempt from the tax im-  
11          posed by subsection (a) by reason of subsection (d)  
12          or (e).

13          (3) CONTROLLED GROUPS.—For purposes of  
14          this subsection—

15                (A) CORPORATIONS.—

16                   (i) IN GENERAL.—All persons treated  
17                   as a controlled group shall be treated as 1  
18                   person.

19                   (ii) CONTROLLED GROUP.—The term  
20                   “controlled group” has the meaning given  
21                   to such term by subsection (a) of section  
22                   1563 of such Code; except that for such  
23                   purposes the phrase “more than 50 per-  
24                   cent” shall be substituted for the phrase



1 “at least 80 percent” each place it appears  
 2 in such subsection.

3 (B) NONINCORPORATED PERSONS UNDER  
 4 COMMON CONTROL.—Under regulations pre-  
 5 scribed by the Secretary, principles similar to  
 6 the principles of subparagraph (A) shall apply  
 7 to a group of persons under common control  
 8 where 1 or more of such persons is not a cor-  
 9 poration.

10 (g) OTHER LAW APPLICABLE.—All provisions of law,  
 11 including penalties, applicable with respect to the taxes  
 12 imposed by section 4041(a)(2) of such Code in the case  
 13 of special fuels; by section 4081 of such Code in the case  
 14 of gasoline, diesel fuel, and kerosene; and by section 4091  
 15 of such Code in the case of aviation fuel shall, insofar as  
 16 applicable and not inconsistent with the provisions of this  
 17 subsection, apply with respect to the floor stock taxes im-  
 18 posed by subsection (a) to the same extent as if such taxes  
 19 were imposed by such section 4041, 4081, or 4091.

20 **SEC. 5. PROTECTION OF HIGHWAY TRUST FUND.**

21 The amounts transferred to the Highway Trust Fund  
 22 under section 9503 of the Internal Revenue Code of 1986  
 23 shall be determined as if this Act had not been acted.

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