

107TH CONGRESS
1ST SESSION

H. R. 1980

To amend the Internal Revenue Code of 1986 to reduce the highway gasoline excise tax rate by 6.8 cents per gallon, the rate that originally was enacted to reduce the deficit but which remains in effect as a source of funding for the Highway Trust Fund.

IN THE HOUSE OF REPRESENTATIVES

MAY 24, 2001

Mr. HYDE 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 reduce the highway gasoline excise tax rate by 6.8 cents per gallon, the rate that originally was enacted to reduce the deficit but which remains in effect as a source of funding for the Highway Trust Fund.

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 Tax Reduction
5 Act of 2001”.

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

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

1 (1) Excessive taxation is a significant contrib-
2 uting factor to high gasoline prices.

3 (2) In 1990 the Federal motor fuel taxes in-
4 creased by 5 cents per gallon. 2.5 cents was dedi-
5 cated to the Highway Trust Fund and 2.5 cents was
6 dedicated to deficit reduction. This increased the
7 gasoline tax to 14.1 cents per gallon.

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.

11 (4) The revenue raised by the 1990 2.5 cents
12 increase and the 1993 gas tax increase were origi-
13 nally earmarked for deficit reduction. Now that the
14 deficit has been eliminated, Congress should repeal
15 the 6.8 cents gas tax increase.

16 (b) PURPOSE.—It is the purpose of this Act to pro-
17 vide immediate financial relief to motorists by reducing
18 the federal tax on gasoline by 6.8 cents per gallon.

19 **SEC. 3. REDUCTION OF HIGHWAY GASOLINE EXCISE TAX**
20 **RATE BY 6.8 CENTS PER GALLON.**

21 (a) IN GENERAL.—Clause (i) of section
22 4081(a)(2)(A) of the Internal Revenue Code of 1986 is
23 amended by striking “18.3 cents” and inserting “11.5
24 cents”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 subsection (a) shall take effect on the date of the enact-
3 ment of this Act.

4 (c) FLOOR STOCK REFUNDS.—

5 (1) IN GENERAL.—If—

6 (A) before the date of the enactment of
7 this Act, tax has been imposed under section
8 4081 of the Internal Revenue Code of 1986 on
9 any gasoline, and

10 (B) on such date such gasoline is held by
11 a dealer and has not been used and is intended
12 for sale,

13 there shall be credited or refunded (without interest)
14 to the person who paid such tax (hereafter in this
15 subsection referred to as the “taxpayer”) an amount
16 equal to the excess of the tax paid by the taxpayer
17 over the amount of such tax which would be imposed
18 on such gasoline had the taxable event occurred on
19 such date.

20 (2) TIME FOR FILING CLAIMS.—No credit or re-
21 fund shall be allowed or made under this subsection
22 unless—

23 (A) claim therefor is filed with the Sec-
24 retary of the Treasury before the date which is
25 6 months after the date of the enactment of

1 this Act, based on a request submitted to the
2 taxpayer before the date which is 3 months
3 after such date of enactment, by the dealer who
4 held the gasoline on such date of enactment,
5 and

6 (B) the taxpayer has repaid or agreed to
7 repay the amount so claimed to such dealer or
8 has obtained the written consent of such dealer
9 to the allowance of the credit or the making of
10 the refund.

11 (3) EXCEPTION FOR FUEL HELD IN RETAIL
12 STOCKS.—No credit or refund shall be allowed under
13 this subsection with respect to any gasoline in retail
14 stocks held at the place where intended to be sold
15 at retail.

16 (4) DEFINITIONS.—For purposes of this sub-
17 section, the terms “dealer” and “held by a dealer”
18 have the respective meanings given to such terms by
19 section 6412 of such Code.

20 (5) CERTAIN RULES TO APPLY.—Rules similar
21 to the rules of subsections (b) and (c) of section
22 6412 of such Code shall apply for purposes of this
23 subsection.

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