

108TH CONGRESS
2D SESSION

H. R. 4975

To amend the Internal Revenue Code of 1986 to impose an excise tax on the international transportation of individuals by water, to establish the Caribbean Ports and Infrastructure Improvement Trust Fund and the Water and Marine Wildlife Protection Trust Fund, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 22, 2004

Mr. MEEKS of New York introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Internal Revenue Code of 1986 to impose an excise tax on the international transportation of individuals by water, to establish the Caribbean Ports and Infrastructure Improvement Trust Fund and the Water and Marine Wildlife Protection Trust Fund, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Pay Back America Act
3 of 2004”.

4 **SEC. 2. IMPOSITION OF EXCISE TAX ON INTERNATIONAL**
5 **TRANSPORTATION BY WATER.**

6 (a) IN GENERAL.—Chapter 36 of the Internal Rev-
7 enue Code of 1986 (relating to certain other excise taxes)
8 is amended by inserting after subchapter B the following
9 new subchapter:

10 **“Subchapter C—International Transportation**
11 **by Water**

“Sec. 4475. Imposition of tax.

“Sec. 4476. Definitions.

12 **“SEC. 4475. IMPOSITION OF TAX.**

13 “(a) IN GENERAL.—There is hereby imposed a tax
14 of \$3 per passenger on a covered international voyage.

15 “(b) BY WHOM PAID.—The tax imposed by this sec-
16 tion shall be paid by the person providing the covered
17 international voyage.

18 “(c) TIME OF IMPOSITION.—The tax imposed by this
19 section shall be imposed only once for each passenger on
20 a covered international voyage, either at the time of first
21 embarkation or disembarkation in the United States.

22 **“SEC. 4476. DEFINITIONS.**

23 “For purposes of this subchapter—

1 “(1) COVERED INTERNATIONAL VOYAGE.—The
2 term ‘covered international voyage’ means a voyage
3 of a commercial passenger vessel if—

4 “(A) such voyage extends over 1 or more
5 nights,

6 “(B) passengers embark or disembark the
7 vessel in the United States, and

8 “(C) passengers embark or disembark the
9 vessel outside the United States.

10 Such term shall not include any voyage of any vessel
11 owned or operated by the United States, a State, or
12 any agency or subdivision thereof.

13 “(2) PASSENGER VESSEL.—The term ‘pas-
14 senger vessel’ means any vessel having berth or
15 stateroom accommodations for more than 16 pas-
16 sengers.”.

17 (b) CONFORMING AMENDMENT.—Section 6806 of
18 such Code is amended by striking “subchapter B of chap-
19 ter 36” and inserting “subchapter B or C of chapter 36”.

20 (c) EFFECTIVE DATE.—The amendments made by
21 this section shall apply to passengers embarking or dis-
22 embarking in the United States after the date of the en-
23 actment of this Act.

1 **SEC. 3. ESTABLISHMENT OF TRUST FUNDS.**

2 (a) IN GENERAL.—Chapter 98 of the Internal Rev-
 3 enue Code of 1986 is amended by adding at the end the
 4 following new sections:

5 **“SEC. 9511. CARIBBEAN PORTS AND INFRASTRUCTURE**
 6 **PROTECTION TRUST FUND.**

7 “(a) CREATION OF TRUST FUND.—There is estab-
 8 lished in the Treasury of the United States a trust fund
 9 to be known as the ‘Caribbean Ports and Infrastructure
 10 Protection Trust Fund’, consisting of such amounts as
 11 may be appropriated or credited to such fund as provided
 12 in this section or section 9602(b).

13 “(b) TRANSFERS TO TRUST FUND.—There are here-
 14 by appropriated to the Caribbean Ports and Infrastructure
 15 Protection Trust Fund amounts equivalent to 32 percent
 16 of the taxes received in the Treasury under subchapter
 17 C of chapter 36 (relating to international transportation
 18 by water).

19 “(c) EXPENDITURES FROM TRUST FUND.—The Sec-
 20 retary shall make payments, not less frequently than an-
 21 nually, from the Caribbean Ports and Infrastructure Pro-
 22 tection Trust Fund to—

23 “(1) the Bahamas, Cayman Islands, Barbados,
 24 Jamaica, Saint Lucia, and Grenada, each in an
 25 amount equivalent to the sum of—

1 “(A) 3 percent of the taxes received in the
2 Treasury under subchapter C of chapter 36,
3 and

4 “(B) any amount credited to such fund
5 under section 9602(b) which is attributable to
6 the amount described in subparagraph (A), and

7 “(2) Antigua and Barbuda, Belize, British Vir-
8 gin Islands, Dominica, Guyana, Haiti, Montserrat,
9 Saint Kitts and Nevis, Saint Vincent and the Grena-
10 dines, Suriname, Trinidad and Tobago, Anguilla,
11 Bermuda, and Turks and Caicos Islands, each in an
12 amount equivalent to the sum of—

13 “(A) 1 percent of the taxes received in the
14 Treasury under subchapter C of chapter 36,
15 and

16 “(B) any amount credited to such fund
17 under section 9602(b) which is attributable to
18 the amount described in subparagraph (A).

19 **“SEC. 9512. WATER AND MARINE WILDLIFE PROTECTION**
20 **TRUST FUND.**

21 “(a) CREATION OF TRUST FUND.—There is estab-
22 lished in the Treasury of the United States a trust fund
23 to be known as the ‘Water and Marine Wildlife Protection
24 Trust Fund’, consisting of such amounts as may be appro-

1 priated or credited to such fund as provided in this section
 2 or section 9602(b).

3 “(b) TRANSFERS TO TRUST FUND.—There are here-
 4 by appropriated to the Water and Marine Wildlife Protec-
 5 tion Trust Fund amounts equivalent to 33 percent of the
 6 taxes received in the Treasury under subchapter C of
 7 chapter 36 (relating to international transportation by
 8 water).

9 “(c) EXPENDITURES FROM TRUST FUND.—Amounts
 10 in the Water and Marine Wildlife Protection Trust Fund
 11 shall be available, as provided in appropriation Acts, for
 12 the purposes of making expenditures to carry out environ-
 13 mental programs which provide for the clean up of waste
 14 in the oceans or the enforcement of restrictions on the
 15 dumping of waste in the oceans.”.

16 (b) CLERICAL AMENDMENT.—The table of sections
 17 for chapter 98 of such Code is amended by adding at the
 18 end the following new items:

“Sec. 9511. Caribbean Ports and Infrastructure Protection Trust Fund.

“Sec. 9512. Water and Marine Wildlife Protection Trust Fund.”.

19 **SEC. 4. REQUIREMENTS RELATING TO PREVENTION OF**
 20 **POLLUTION FROM VESSELS.**

21 (a) FINDINGS.—The Congress finds the following:

22 (1) Pollution prevention devices required on
 23 vessels are designed to reduce pollution. If they mal-

1 function or are not functioning then they cannot
2 prevent pollution.

3 (2) Ensuring that these anti-pollution devices
4 are functioning will ensure a reduction in pollution
5 and will also give authorities advanced warning of
6 pollution that has occurred.

7 (3) Requiring biannual inspections of pollution
8 prevention equipment on vessels will ensure that
9 such equipment is fully operational and can ensure
10 that it will perform its designed task to its full po-
11 tential.

12 (4) Department of Justice officials have found
13 in a number of cases fabricated entries in vessel oil
14 record books that give a false sense of compliance
15 with MARPOL discharge limitations.

16 (5) Recording shore-side disposal of garbage
17 and sludge from vessels will help to identify violators
18 and help to deter others from unlawful discharges at
19 sea.

20 (6) Making violations of this Act a felony will
21 have a deterrent effect. Imposing stiff fines will also
22 accomplish that goal.

23 (b) TOLL-FREE TELEPHONE NUMBER FOR REPORT-
24 ING ILLEGAL DUMPING.—The Secretary of the depart-
25 ment in which the Coast Guard is operating shall prescribe

1 regulations by not later than 6 months after the date of
2 the enactment of this Act that require—

3 (1) that each cruise vessel that enters a port or
4 place in the United States while operating in the for-
5 eign or domestic commerce of the United States
6 must have posted, in elevators and other common
7 areas of the vessel, a notice stating—

8 (A) that any passenger who witnesses ille-
9 gal dumping from the vessel into waters of the
10 United States may report that dumping to the
11 Coast Guard by calling a toll-free telephone
12 number of the National Response Center or an-
13 other appropriate office of the Coast Guard;
14 and

15 (B) such telephone numbers; and

16 (2) that the notice prescribed under paragraph
17 (1) must be included on each ticket for carriage of
18 a passenger on such a vessel in such commerce.

19 (c) PROHIBITIONS.—It shall be unlawful—

20 (1) for any vessel to enter a port or place in the
21 United States if—

22 (A) the vessel does not have on board all
23 pollution prevention equipment otherwise re-
24 quired by law that functions in proper func-
25 tioning condition; or

1 (B) does not comply with requirements
2 that apply to the vessel under regulations pre-
3 scribed under subsection (b);

4 (2) to make any false entry in—

5 (A) any oil record book for a vessel; or

6 (B) any record of a vessel of shore-side
7 disposal of garbage or sludge from the vessel;

8 (3) to operate any cruise vessel in the foreign
9 or domestic commerce of the United States that does
10 not comply with any requirement that applies to the
11 vessel under regulations prescribed subsection (b); or

12 (4) to sell a ticket referred to in paragraph (2)
13 of subsection (b) that does not include any notice re-
14 quired under regulations prescribed under subsection
15 (b).

16 (d) INSPECTIONS.—The Secretary of the department
17 in which the Coast Guard is operating shall biannually in-
18 spect each vessel that is documented under the laws of
19 the United States to determine whether—

20 (1) the vessel has on board all pollution preven-
21 tion equipment required under subsection (c);

22 (2) such equipment functions properly; and

23 (3) in the case of a cruise vessel, the vessel
24 complies with requirements that apply to the vessel
25 under regulations prescribed under subsection (b).

1 (e) PENALTY.—Any person that violates this section,
2 and the owner or operator of a vessel that violates this
3 section, shall be fined under title 18, United States Code,
4 or imprisoned for one year and a day (or such longer pe-
5 riod as may apply under another provision of law), or
6 both.

7 (f) RELATIONSHIP TO OTHER LAW.—This section is
8 not intended to affect the application of any other provi-
9 sion of law.

10 (g) DEFINITIONS.—In this section:

11 (1) CRUISE VESSEL.—

12 (A) IN GENERAL.—The term “cruise ves-
13 sel” means a passenger vessel (as defined in
14 section 2101(22) of title 46, United States
15 Code), that—

16 (i) is authorized to carry at least 250
17 passengers; and

18 (ii) has onboard sleeping facilities for
19 each passenger.

20 (B) EXCLUSIONS.—The term “cruise ves-
21 sel” does not include—

22 (i) a vessel of the United States oper-
23 ated by the Federal Government; or

24 (ii) a vessel owned and operated by
25 the government of a State.

1 (2) PASSENGER.—

2 (A) IN GENERAL.—The term “passenger”
3 means any person on board a cruise vessel for
4 the purpose of travel.

5 (B) INCLUSIONS.— The term “passenger”
6 includes—

7 (i) a paying passenger; and

8 (ii) a staffperson, such as a crew
9 member, captain, or officer.

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