

108TH CONGRESS  
1ST SESSION

# S. 251

To amend the Internal Revenue Code of 1986 to repeal the 4.3-cent motor fuel excise taxes on railroads and inland waterway transportation which remain in the general fund of the Treasury.

---

## IN THE SENATE OF THE UNITED STATES

JANUARY 30, 2003

Mr. LOTT (for himself and Mr. BREAUX) 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 repeal the 4.3-cent motor fuel excise taxes on railroads and inland waterway transportation which remain in the general fund of the Treasury.

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 “Transportation Tax

5       Equity and Fairness Act”.

1 **SEC. 2. REPEAL OF 4.3-CENT MOTOR FUEL EXCISE TAXES**2 **ON RAILROADS AND INLAND WATERWAY**  
3 **TRANSPORTATION WHICH REMAIN IN GEN-**  
4 **ERAL FUND.**5 (a) **TAXES ON TRAINS.—**6 (1) **IN GENERAL.**—Subparagraph (A) of section  
7 4041(a)(1) of the Internal Revenue Code of 1986  
8 (relating to tax on diesel fuel in certain cases) is  
9 amended—10 (A) by striking “or a diesel-powered train”  
11 in clauses (i) and (ii), and

12 (B) by striking “or train” in clause (i).

13 (2) **CONFORMING AMENDMENTS.—**14 (A) Subparagraph (C) of section  
15 4041(a)(1) of such Code is amended by striking  
16 clause (ii) and by redesignating clause (iii) as  
17 clause (ii).18 (B) Subparagraph (C) of section  
19 4041(b)(1) of such Code is amended by striking  
20 all that follows “section 6421(e)(2)” and insert-  
21 ing a period.22 (C) Subsection (d) of section 4041 of such  
23 Code is amended by redesignating paragraph  
24 (3) as paragraph (4) and by inserting after  
25 paragraph (2) the following new paragraph:

1           “(3) DIESEL FUEL USED IN TRAINS.—There is  
2        hereby imposed a tax of 0.1 cent per gallon on any  
3        liquid other than gasoline (as defined in section  
4        4083)—

5           “(A) sold by any person to an owner, les-  
6        see, or other operator of a diesel-powered train  
7        for use as a fuel in such train, or

8           “(B) used by any person as a fuel in a die-  
9        sel-powered train unless there was a taxable  
10        sale of such fuel under subparagraph (A).

11        No tax shall be imposed by this paragraph on the  
12        sale or use of any liquid if tax was imposed on such  
13        liquid under section 4081.”.

14           (D) Subsection (f) of section 4082 of such  
15        Code is amended by striking “section  
16        4041(a)(1)” and inserting “subsections (d)(3)  
17        and (a)(1) of section 4041, respectively”.

18           (E) Paragraph (3) of section 4083(a) of  
19        such Code is amended by striking “or a diesel-  
20        powered train”.

21           (F) Paragraph (3) of section 6421(f) of  
22        such Code is amended to read as follows:

23           “(3) GASOLINE USED IN TRAINS.—In the case  
24        of gasoline used as a fuel in a train, this section  
25        shall not apply with respect to the Leaking Under-

1 ground Storage Tank Trust Fund financing rate  
2 under section 4081.”.

3 (G) Paragraph (3) of section 6427(l) of  
4 such Code is amended to read as follows:

5 “(3) REFUND OF CERTAIN TAXES ON FUEL  
6 USED IN DIESEL-POWERED TRAINS.—For purposes  
7 of this subsection, the term ‘nontaxable use’ includes  
8 fuel used in a diesel-powered train. The preceding  
9 sentence shall not apply to the tax imposed by sec-  
10 tion 4041(d) and the Leaking Underground Storage  
11 Tank Trust Fund financing rate under section 4081  
12 except with respect to fuel sold for exclusive use by  
13 a State or any political subdivision thereof.”.

14 (b) FUEL USED ON INLAND WATERWAYS.—

15 (1) IN GENERAL.—Paragraph (1) of section  
16 4042(b) of the Internal Revenue Code of 1986 (re-  
17 lating to amount of tax) is amended by adding  
18 “and” at the end of subparagraph (A), by striking  
19 “, and” at the end of subparagraph (B) and insert-  
20 ing a period, and by striking subparagraph (C).

21 (2) CONFORMING AMENDMENT.—Paragraph (2)  
22 of section 4042(b) of such Code is amended by strik-  
23 ing subparagraph (C).

1        (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall take effect on January 1, 2003.

○