

108TH CONGRESS  
2D SESSION

# S. 2762

To encourage the use of indigenous feedstock from the Caribbean Basin region with respect to ethyl alcohol for fuel use.

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IN THE SENATE OF THE UNITED STATES

JULY 22, 2004

Mr. GRASSLEY (for himself and Mr. COLEMAN) introduced the following bill;  
which was read twice and referred to the Committee on Finance

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## A BILL

To encourage the use of indigenous feedstock from the Caribbean Basin region with respect to ethyl alcohol for fuel use.

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. ETHYL ALCOHOL FOR FUEL USE.**

4       (a) IN GENERAL.—Subparagraph (B) of section  
5       423(c)(3) of the Tax Reform Act of 1986 (19 U.S.C. 2703  
6       note) is amended to read as follows:

7               “(B) The local feedstock requirement with  
8               respect to any calendar year is—

9               “(i) 0 percent with respect to the base  
10              quantity that is entered;

1 “(ii) 30 percent with respect to the  
2 35,000,000 gallons of dehydrated alcohol  
3 and mixtures entered in excess of the base  
4 quantity; and

5 “(iii) 50 percent with respect to all de-  
6 hydrated alcohol and mixtures entered  
7 after the amount specified in clause (ii) is  
8 entered.”.

9 (b) BASE QUANTITY.—Clause (i) of section  
10 423(c)(3)(C) of the Tax Reform Act of 1986 (19 U.S.C.  
11 2703 note) is amended to read as follows:

12 “(i) The term ‘base quantity’ means,  
13 with respect to dehydrated alcohol and  
14 mixtures entered during any calendar  
15 year—

16 “(I) 90,000,000 gallons in the  
17 case of dehydrated alcohol and mix-  
18 tures produced in a distillation facility  
19 located in a beneficiary country that  
20 was established before, and in oper-  
21 ation on July 1, 2004; and

22 “(II) 0 gallons in the case of de-  
23 hydrated alcohol and mixtures pro-  
24 duced in any other distillation facility  
25 located in a beneficiary country.”.

1       (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to calendar years beginning after  
3 2004.

