

114TH CONGRESS
1ST SESSION

S. 187

To amend the Internal Revenue Code of 1986 to clarify that products derived from tar sands are crude oil for purposes of the Federal excise tax on petroleum, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JANUARY 16, 2015

Mr. MARKEY (for himself, Mr. WHITEHOUSE, and Mr. MERKLEY) 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 clarify that products derived from tar sands are crude oil for purposes of the Federal excise tax on petroleum, 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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Tar Sands Tax Loop-
5 hole Elimination Act”.

1 **SEC. 2. CLARIFICATION OF TAR SANDS AS CRUDE OIL FOR**
 2 **EXCISE TAX PURPOSES.**

3 (a) IN GENERAL.—Paragraph (1) of section 4612(a)
 4 of the Internal Revenue Code of 1986 is amended to read
 5 as follows:

6 “(1) CRUDE OIL.—The term ‘crude oil’ includes
 7 crude oil condensates, natural gasoline, any bitumen
 8 or bituminous mixture, any oil derived from a bitu-
 9 men or bituminous mixture (including oil derived
 10 from tar sands), and any oil derived from kerogen-
 11 bearing sources (including oil derived from oil
 12 shale).”.

13 (b) REGULATORY AUTHORITY TO ADDRESS OTHER
 14 TYPES OF CRUDE OIL AND PETROLEUM PRODUCTS.—
 15 Subsection (a) of section 4612 of such Code is amended
 16 by adding at the end the following new paragraph:

17 “(10) REGULATORY AUTHORITY TO ADDRESS
 18 OTHER TYPES OF CRUDE OIL AND PETROLEUM
 19 PRODUCTS.—Under such regulations as the Sec-
 20 retary may prescribe, the Secretary may include as
 21 crude oil or as a petroleum product subject to tax
 22 under section 4611, any fuel feedstock or finished
 23 fuel product customarily transported by pipeline,
 24 vessel, railcar, or tanker truck if the Secretary deter-
 25 mines that—

1 “(A) the classification of such fuel feed-
2 stock or finished fuel product is consistent with
3 the definition of oil under the Oil Pollution Act
4 of 1990, and

5 “(B) such fuel feedstock or finished fuel
6 product is produced in sufficient commercial
7 quantities as to pose a significant risk of haz-
8 ard in the event of a discharge.”.

9 (c) TECHNICAL AMENDMENT.—Paragraph (2) of sec-
10 tion 4612(a) of such Code is amended by striking “from
11 a well located”.

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

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