

104TH CONGRESS
2D SESSION

H. R. 4206

To amend the Internal Revenue Code of 1986 to provide that the amount of the aviation excise taxes for any fiscal year shall equal the expenditures from the Airport and Airway Trust Fund for the prior fiscal year, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 26, 1996

Mr. LIGHTFOOT introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on the Budget, Government Reform and Oversight, and 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 provide that the amount of the aviation excise taxes for any fiscal year shall equal the expenditures from the Airport and Airway Trust Fund for the prior fiscal year, 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. AVIATION TAX REVENUES TO MATCH AIRPORT**
2 **AND AIRWAY TRUST FUND EXPENDITURES.**

3 (a) IN GENERAL.—Part III of subchapter C of chap-
4 ter 33 of the Internal Revenue Code of 1986 (relating to
5 special provisions applicable to taxes on transportation by
6 air) is amended by adding at the end the following new
7 section:

8 **“SEC. 4283. AVIATION TAX REVENUES TO MATCH AIRPORT**
9 **AND AIRWAY TRUST FUND EXPENDITURES.**

10 “(a) GENERAL RULE.—Except as provided by sub-
11 section (b), if the aviation tax rates prescribed by the Sec-
12 retary under this section for any fiscal year are greater
13 than or less than the otherwise applicable rates of the
14 aviation taxes, the rates so prescribed shall apply for such
15 year in lieu of the otherwise applicable rates.

16 “(b) LIMITATION ON RATES.—In no event may the
17 Secretary prescribe rates under subsection (a) which are
18 greater than—

19 “(1) ____ per gallon in the case of the tax im-
20 posed by section 4081(a)(2)(A)(ii) (relating to avia-
21 tion gasoline),

22 “(2) ____ cents per gallon in the case of the
23 tax imposed by section 4091 (relating to aviation
24 fuel),

25 “(3) ____ percent and ____ percent, respec-
26 tively, of the amount paid in the case of the taxes

1 imposed by sections 4261 and 4271 (relating to
2 transportation of persons and property by air), other
3 than the tax imposed by section 4261(c), and

4 “(4) \$____ on any amount paid in the case of
5 the tax imposed by section 4261(c) (relating to use
6 of international travel facilities).

7 “(c) DETERMINATION OF AVIATION TAX RATES.—

8 “(1) IN GENERAL.—Not later than September
9 1 of each calendar year, the Secretary shall prescribe
10 the aviation tax rates for the fiscal year which be-
11 gins during such calendar year.

12 “(2) METHOD OF DETERMINING RATES.—The
13 aviation tax rates prescribed by the Secretary for
14 any fiscal year shall be rates which the Secretary es-
15 timates will result in aggregate aviation tax revenues
16 during such fiscal year equal to the aggregate avia-
17 tion expenditures during the preceding fiscal year.
18 Proper adjustments shall be made in the estimate
19 under the preceding sentence to the extent that ag-
20 gregate aviation tax revenues during any prior fiscal
21 year (beginning after September 30, 1996) were
22 greater than or less than the aggregate aviation ex-
23 penditures for such prior fiscal year. Such adjust-
24 ments shall be made consistent with Congressional

1 Budget Office scoring procedures and shall be reve-
2 nue neutral.

3 “(3) PROPORTIONALITY OF RATES MAIN-
4 TAINED.—Each aviation tax rate prescribed by the
5 Secretary under this section shall be the rate which
6 results in the same proportion of the aggregate avia-
7 tion tax revenues for the fiscal year as the propor-
8 tion of the aggregate aviation tax revenues for such
9 fiscal year which would have resulted from the oth-
10 erwise applicable rate.

11 “(d) DEFINITIONS.—For purposes of this section—

12 “(1) AVIATION TAXES.—The term ‘aviation
13 taxes’ means—

14 “(A) the taxes imposed by subsections (c)
15 and (e) of section 4041,

16 “(B) the tax imposed by section
17 4081(a)(2)(A)(ii) to the extent attributable to
18 the Airport and Airway Trust Fund financing
19 rate (as defined in section 9502(f)),

20 “(C) the tax imposed by section 4091 to
21 the extent attributable to the Airport and Air-
22 way Trust Fund financing rate (as defined in
23 section 9502(f)), and

24 “(D) the taxes imposed by sections 4261
25 and 4271.

1 “(2) AVIATION TAX REVENUES.—The term
2 ‘aviation tax revenues’ means, with respect to any
3 fiscal year, the aggregate amount deposited into the
4 Airport and Airway Trust Fund during such year by
5 reason of section 9502(b), reduced by transfers from
6 such Trust Fund during such year under para-
7 graphs (2), (3), and (5) of section 9502(d).

8 “(3) AVIATION EXPENDITURES.—The term
9 ‘aviation expenditures’ means, with respect to any
10 fiscal year, the aggregate budget authority for such
11 year for expenditures from the Airport and Airway
12 Trust Fund, combined with contract authority for
13 such year (to the extent of any limitation on obliga-
14 tions) for expenditures from the Airport and Airway
15 Trust Fund.”

16 (b) OTHER AMENDMENTS.—

17 (1) Paragraph (2) of section 9502(b) of such
18 Code is amended by striking “under section 4081”
19 and all that follows and inserting “under section
20 4081 with respect to aviation gasoline (to the extent
21 attributable to the Airport and Airway Trust Fund
22 financing rate);”.

23 (2) Paragraph (1) of section 9502(f) of such
24 Code is amended to read as follows:

1 “(1) IN GENERAL.—Except as otherwise pro-
2 vided in this subsection, the Airport and Airway
3 Trust Fund financing rate is—

4 “(A) in the case of aviation gasoline sub-
5 ject to tax under section 4081, 15 cents per
6 gallon (unless otherwise prescribed by the Sec-
7 retary),

8 “(B) in the case of fuel used in an aircraft
9 in noncommercial aviation (as defined in section
10 4041(c)(4)), 17.5 cents per gallon (unless oth-
11 erwise prescribed by the Secretary), and

12 “(C) in the case of fuel used in an aircraft
13 other than in noncommercial aviation (as so de-
14 fined), zero.”

15 (c) CLERICAL AMENDMENT.—The table of sections
16 for part III of subchapter C of chapter 33 of such Code
17 is amended by adding at the end the following new item:

 “Sec. 4283. Aviation tax revenues to match Airport and Airway
 Trust Fund expenditures.”

18 **SEC. 2. ESTABLISHMENT OF ANNUAL RESERVE ACCOUNT**
19 **IN AIRPORT AND AIRWAY TRUST FUND.**

20 Section 9502 of the Internal Revenue Code of 1986
21 (relating to the Airport and Airway Trust Fund) is
22 amended by adding at the end the following new sub-
23 section:

1 “(g) ESTABLISHMENT OF ANNUAL RESERVE AC-
2 COUNT.—

3 “(1) CREATION OF ACCOUNT.—There is estab-
4 lished in the Airport and Airway Trust Fund a sepa-
5 rate account to be known as the ‘Annual Reserve
6 Account’ consisting of such amounts as may be
7 transferred or credited to the Annual Reserve Ac-
8 count as provided in this subsection or section
9 9602(b).

10 “(2) TRANSFERS TO ANNUAL RESERVE AC-
11 COUNT.—The Secretary of the Treasury shall trans-
12 fer to the Annual Reserve Account any portion of
13 the amounts appropriated to the Airport and Airway
14 Trust Fund under subsection (b) which is attrib-
15 utable to tax rates prescribed under section 4283(a)
16 which are greater than the otherwise applicable rates
17 of the aviation taxes prescribed for the prior fiscal
18 year. For the purposes of the preceding sentence,
19 the term ‘aviation taxes’ has the meaning such term
20 has under section 4283(d)(1).

21 “(3) EXPENDITURES FROM ANNUAL RESERVE
22 ACCOUNT.—Amounts in the Annual Reserve Account
23 shall be available, as provided by appropriation Acts,
24 for the same purposes as amounts in the Airport

1 and Airway Trust Fund are available under sub-
2 section (d).

3 “(4) BUDGETARY TREATMENT OF ANNUAL RE-
4 SERVE ACCOUNT.—Notwithstanding any other provi-
5 sion of law except the Line Item Veto Act of 1996,
6 the annual receipts and disbursements of the Annual
7 Reserve Account—

8 “(A) shall not be counted as new budget
9 authority, outlays, receipts, or deficit or surplus
10 for purposes of—

11 “(i) the budget of the United States
12 Government as submitted by the President,

13 “(ii) the congressional budget (includ-
14 ing allocations of budget authority and
15 outlays provided therein), or

16 “(iii) the Balanced Budget and Emer-
17 gency Deficit Control Act of 1985; and

18 “(B) shall be exempt from any general
19 budget limitation imposed by statute on expend-
20 itures and net lending (budget outlays) of the
21 United States Government.”

22 **SEC. 3. EFFECTIVE DATE.**

23 The amendments made by this Act shall apply to fis-
24 cal years beginning after September 30, 1996.

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