

105TH CONGRESS  
2D SESSION

# H. R. 4332

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.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 24, 1998

Mr. HULSHOF (for himself, Mr. McCRERY, Mr. JEFFERSON, Mr. COLLINS, Mr. WELLER, Mr. CRANE, Mr. KLECZKA, Mr. BUNNING, Mr. SAM JOHNSON of Texas, Ms. DUNN, Mr. NUSSLE, Mr. CHRISTENSEN, Mr. WATKINS, Mr. BAKER, Mr. BACHUS, Mr. SESSIONS, Mrs. NORTHUP, and Ms. GRANGER) introduced the following bill; which was referred to the Committee on Ways and Means

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## 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 is  
8 amended by striking “or a diesel-powered train”  
9 each place it appears and by striking “or train”.

10 (2) CONFORMING AMENDMENTS.—

11 (A) Subparagraph (C) of section  
12 4041(a)(1) of such Code is amended by striking  
13 clause (ii) and by redesignating clause (iii) as  
14 clause (ii).

15 (B) Subparagraph (C) of section  
16 4041(b)(1) of such Code is amended by striking  
17 all that follows “section 6421(e)(2)” and insert-  
18 ing a period.

19 (C) Subsection (d) of section 4041 of such  
20 Code is amended by redesignating paragraph  
21 (3) as paragraph (4) and by inserting after  
22 paragraph (2) the following new paragraph:

23 “(3) DIESEL FUEL USED IN TRAINS.—There is  
24 hereby imposed a tax of 0.1 cent per gallon on any  
25 liquid other than gasoline (as defined in section  
26 4083)—

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

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

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

10           (D) Subsection (e) of section 4082 of such  
11           Code is amended by striking “section  
12           4041(a)(1)” and inserting “subsections (d)(3)  
13           and (a)(1) of section 4041, respectively”.

14           (E) Paragraph (3) of section 4083(a) of  
15           such Code is amended by striking “or a diesel-  
16           powered train”.

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

19           “(3) GASOLINE USED IN TRAINS.—In the case  
20           of gasoline used as a fuel in a train, this section  
21           shall not apply with respect to the Leaking Under-  
22           ground Storage Tank Trust Fund financing rate  
23           under section 4081.”

24           (G) Paragraph (3) of section 6427(f) of  
25           such Code is amended to read as follows:

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

10          (b) FUEL USED ON INLAND WATERWAYS.—

11                 (1) IN GENERAL.—Paragraph (1) of section  
12                 4042(b) of such Code is amended by adding “and”  
13                 at the end of subparagraph (A), by striking “, and”  
14                 at the end of subparagraph (B) and inserting a pe-  
15                 riod, and by striking subparagraph (C).

16                 (2) CONFORMING AMENDMENT.—Paragraph (2)  
17                 of section 4042(b) of such Code is amended by strik-  
18                 ing subparagraph (C).

19                 (c) EFFECTIVE DATE.—The amendments made by  
20                 this section shall take effect on the date of the enactment  
21                 of this Act.

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