

106TH CONGRESS
2D SESSION

H. R. 3844

To amend the Internal Revenue Code of 1986 to repeal the 1993 4.3-cent increases in highway motor fuel taxes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 8, 2000

Mr. POMBO introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to repeal the 1993 4.3-cent increases in highway motor fuel taxes.

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. REPEAL OF 1993 INCREASES IN HIGHWAY**

4 **MOTOR FUEL TAXES.**

5 (a) HIGHWAY GASOLINE.—Clause (i) of section
6 4081(a)(2)(A) of the Internal Revenue Code of 1986 is
7 amended by striking “18.3 cents” and inserting “14
8 cents”.

1 (b) DIESEL FUEL AND KEROSENE.—Clause (iii) of
2 section 4081(a)(2)(A) of such Code is amended by striking
3 “24.3 cents” and inserting “20 cents”.

4 (c) TECHNICAL AMENDMENTS.—

5 (1) Subparagraph (B) of section 40(e)(1) of
6 such Code is amended by striking “during which the
7 rates of tax under section 4081(a)(2)(A) are 4.3
8 cents per gallon” and inserting “during which the
9 rate of tax under section 4081(a)(2)(A)(i) does not
10 apply”.

11 (2) Subparagraph (A) of section 4041(a)(1) of
12 such Code is amended by striking “or a diesel-pow-
13 ered train” each place it appears and by striking “or
14 train”.

15 (3) Subparagraph (C) of section 4041(a)(1) of
16 such Code is amended by striking clause (ii) and by
17 redesignating clause (iii) as clause (ii).

18 (4) Subclause (I) of section 4041(a)(1)(C)(ii) of
19 such Code, as redesignated by paragraph (3), is
20 amended by striking “7.3 cents” and inserting “3
21 cents” and by striking “4.3 cents per gallon” and
22 inserting “zero”.

23 (5) Subsection (a) of section 4041 of such Code
24 is amended by striking paragraph (3).

1 (6) Subparagraph (C) of section 4041(b)(1) of
2 such Code is amended by striking all that follows
3 “section 6421(e)(2)” and inserting a period.

4 (7) Subparagraph (B) of section 4041(a)(2) of
5 such Code is amended by striking all that follows
6 clause (i) and inserting the following new clauses:

7 “(ii) 10.4 cents per gallon in the case
8 of liquefied petroleum gas, and

9 “(iii) 9.1 cents per gallon in the case
10 of liquefied natural gas.”

11 (8) Paragraph (3) of section 4041(c) of such
12 Code is amended to read as follows:

13 “(3) TERMINATION.—The rate of the taxes im-
14 posed by paragraph (1) shall be zero after Sep-
15 tember 30, 2007.”

16 (9) Subsection (d) of section 4041 of such Code
17 is amended by redesignating paragraph (3) as para-
18 graph (4) and by inserting after paragraph (2) the
19 following new paragraph:

20 “(3) DIESEL FUEL USED IN TRAINS.—There is
21 hereby imposed a tax of 0.1 cent per gallon on any
22 liquid other than gasoline (as defined in section
23 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 (10) Clauses (i) and (ii) of section
11 4041(m)(1)(A) of such Code are amended to read as
12 follows:

13 “(i) 7 cents per gallon on and after
14 the date of the enactment of this clause
15 and before October 1, 2005, and

16 “(ii) zero after September 30, 2005,
17 and”.

18 (11) Subsection (c) of section 4081 of such
19 Code is amended by striking paragraph (6) and by
20 redesignating paragraphs (7) and (8) as paragraphs
21 (6) and (7), respectively.

22 (12) Paragraph (1) of section 4081(d) of such
23 Code is amended by striking “4.3 cents per gallon”
24 and inserting “zero”.

1 (13) Subsection (f) of section 4082 of such
2 Code is amended by striking “section 4041(a)(1)”
3 and inserting “subsections (d)(3) and (a)(1) of sec-
4 tion 4041, respectively”.

5 (14) Paragraph (3) of section 4083(a) of such
6 Code is amended by striking “or a diesel-powered
7 train”.

8 (15) Paragraph (3) of section 6421(f) of such
9 Code is amended to read as follows:

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

15 (16) Subparagraph (A) of section 6427(b)(2) of
16 such Code is amended by striking “7.4 cents” and
17 inserting “3.1 cents”.

18 (17) Paragraph (3) of section 6427(l) of such
19 Code is amended to read as follows:

20 “(3) REFUND OF CERTAIN TAXES ON FUEL
21 USED IN DIESEL-POWERED TRAINS.—For purposes
22 of this subsection, the term ‘nontaxable use’ includes
23 fuel used in a diesel-powered train. The preceding
24 sentence shall not apply to the tax imposed by sec-
25 tion 4041(d) and the Leaking Underground Storage

1 Tank Trust Fund financing rate under section 4081
2 except with respect to fuel sold for exclusive use by
3 a State or any political subdivision thereof.”

4 (d) EFFECTIVE DATE.—The amendments made by
5 this section shall take effect on the date of the enactment
6 of this Act.

7 (e) FLOOR STOCK REFUNDS.—

8 (1) IN GENERAL.—If—

9 (A) before the date of the enactment of
10 this Act, tax has been imposed under section
11 4081 of the Internal Revenue Code of 1986 on
12 any liquid, and

13 (B) on such date such liquid is held by a
14 dealer and has not been used and is intended
15 for sale,

16 there shall be credited or refunded (without interest)
17 to the person who paid such tax (hereafter in this
18 subsection referred to as the “taxpayer”) an amount
19 equal to the excess of the tax paid by the taxpayer
20 over the amount of such tax which would be imposed
21 on such liquid had the taxable event occurred on
22 such date.

23 (2) TIME FOR FILING CLAIMS.—No credit or re-
24 fund shall be allowed or made under this subsection
25 unless—

1 (A) claim therefor is filed with the Sec-
2 retary of the Treasury before the date which is
3 6 months after the date of the enactment of
4 this Act, based on a request submitted to the
5 taxpayer before the date which is 3 months
6 after such date of enactment, by the dealer who
7 held the liquid on such date of enactment, and

8 (B) the taxpayer has repaid or agreed to
9 repay the amount so claimed to such dealer or
10 has obtained the written consent of such dealer
11 to the allowance of the credit or the making of
12 the refund.

13 (3) EXCEPTION FOR FUEL HELD IN RETAIL
14 STOCKS.—No credit or refund shall be allowed under
15 this subsection with respect to any liquid in retail
16 stocks held at the place where intended to be sold
17 at retail.

18 (4) DEFINITIONS.—For purposes of this sub-
19 section, the terms “dealer” and “held by a dealer”
20 have the respective meanings given to such terms by
21 section 6412 of such Code.

22 (5) CERTAIN RULES TO APPLY.—Rules similar
23 to the rules of subsections (b) and (c) of section

1 6412 of such Code shall apply for purposes of this
2 subsection.

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