

1 amended by striking “18.3 cents” and inserting “14
2 cents”.

3 (b) AVIATION GASOLINE.—Clause (ii) of section
4 4081(a)(2)(A) of such Code is amended by striking “19.3
5 cents” and inserting “15 cents”.

6 (c) DIESEL FUEL AND KEROSENE.—Clause (iii) of
7 section 4081(a)(2)(A) of such Code is amended by striking
8 “24.3 cents” and inserting “20 cents”.

9 (d) AVIATION FUEL.—Paragraph (1) of section
10 4091(b) of such Code is amended by striking “21.8 cents”
11 and inserting “17.5 cents”.

12 (e) FUEL USED ON INLAND WATERWAYS.—

13 (1) Paragraph (1) of section 4042(b) of such
14 Code is amended by adding “and” at the end of sub-
15 paragraph (A), by striking “, and” at the end of
16 subparagraph (B) and inserting a period, and by
17 striking subparagraph (C).

18 (2) Paragraph (2) of section 4042(b) of such
19 Code is amended by striking subparagraph (C).

20 (f) TECHNICAL AMENDMENTS.—

21 (1) Subparagraph (B) of section 40(e)(1) of
22 such Code is amended by striking “during which the
23 rates of tax under section 4081(a)(2)(A) are 4.3
24 cents per gallon” and inserting “during which the

1 rate of tax under section 4081(a)(2)(A)(i) does not
2 apply”.

3 (2) Subparagraph (A) of section 4041(a)(1) of
4 such Code is amended by striking “or a diesel-pow-
5 ered train” each place it appears and by striking “or
6 train”.

7 (3) Subparagraph (C) of section 4041(a)(1) of
8 such Code is amended by striking clause (ii) and by
9 redesignating clause (iii) as clause (ii).

10 (4) Subclause (I) of section 4041(a)(1)(C)(ii) of
11 such Code, as redesignated by paragraph (3), is
12 amended by striking “7.3 cents” and inserting “3
13 cents” and by striking “4.3 cents per gallon” and
14 inserting “zero”.

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

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

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

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

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

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

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

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

12 “(3) DIESEL FUEL USED IN TRAINS.—There is
13 hereby imposed a tax of 0.1 cent per gallon on any
14 liquid other than gasoline (as defined in section
15 4083)—

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

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

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

1 (10) Clauses (i) and (ii) of section
2 4041(m)(1)(A) of such Code are amended to read as
3 follows:

4 “(i) 7 cents per gallon on and after
5 the date of the enactment of this clause
6 and before October 1, 2005, and

7 “(ii) zero after September 30, 2005,
8 and”.

9 (11) Subsection (c) of section 4081 of such
10 Code is amended by striking paragraph (6) and by
11 redesignating paragraphs (7) and (8) as paragraphs
12 (6) and (7), respectively.

13 (12) Paragraphs (1) and (2) of section 4081(d)
14 of such Code are amended to read as follows:

15 “(1) IN GENERAL.—The rates of tax specified
16 in clauses (i) and (iii) of subsection (a)(2)(A) shall
17 be zero after September 30, 2005.

18 “(2) AVIATION GASOLINE.—The rate of tax
19 specified in subsection (a)(2)(A)(ii) shall be zero
20 after September 30, 2007.”

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

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

4 (15) Subparagraph (A) of section 4091(b)(3) of
5 such Code is amended to read as follows:

6 “(A) The rate of tax specified in para-
7 graph (1) shall be zero after September 30,
8 2007.”

9 (16) Paragraph (1) of section 4091(c) of such
10 Code is amended—

11 (A) by striking “14 cents” and inserting
12 “9.7 cents”,

13 (B) by striking “13.3 cents” and inserting
14 “9 cents”,

15 (C) by striking “13.2 cents” and inserting
16 “8.9 cents”,

17 (D) by striking “13.1 cents” and inserting
18 “8.8 cents”, and

19 (E) by striking “13.4 cents” and inserting
20 “9.1 cents”.

21 (17) Subsection (c) of section 4091 of such
22 Code is amended by striking paragraph (4), and by
23 redesignating paragraph (5) as paragraph (4).

24 (18) Subsection (b) of section 4092 of such
25 Code is amended by striking “attributable to” and

1 all that follows and inserting “attributable to the
2 Leaking Underground Storage Tank Trust Fund fi-
3 nancing rate imposed by such section. For purposes
4 of the preceding sentence, the term ‘commercial
5 aviation’ means any use of an aircraft other than in
6 noncommercial aviation (as defined in section
7 4041(e)(2)).”

8 (19) Subparagraph (B) of section 6421(f)(2) of
9 such Code is amended by striking “and,” and all
10 that follows and inserting a period.

11 (20) Paragraph (3) of section 6421(f) of such
12 Code is amended to read as follows:

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

18 (21) Subparagraph (A) of section 6427(b)(2) of
19 such Code is amended by striking “7.4 cents” and
20 inserting “3.1 cents”.

21 (22) Paragraph (3) of section 6427(l) of such
22 Code is amended to read as follows:

23 “(3) REFUND OF CERTAIN TAXES ON FUEL
24 USED IN DIESEL-POWERED TRAINS.—For purposes
25 of this subsection, the term ‘nontaxable use’ includes

1 fuel used in a diesel-powered train. The preceding
2 sentence shall not apply to the tax imposed by sec-
3 tion 4041(d) and the Leaking Underground Storage
4 Tank Trust Fund financing rate under section 4081
5 except with respect to fuel sold for exclusive use by
6 a State or any political subdivision thereof.”

7 (23) Paragraph (4) of section 6427(l) of such
8 Code is amended by striking “attributable to” and
9 all that follows through the period and inserting “at-
10 tributable to the Leaking Underground Storage
11 Tank Trust Fund financing rate imposed by such
12 section.”

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

16 (h) FLOOR STOCK REFUNDS.—

17 (1) IN GENERAL.—If—

18 (A) before the date of the enactment of
19 this Act, tax has been imposed under section
20 4081 or 4091 of the Internal Revenue Code of
21 1986 on any liquid, and

22 (B) on such date such liquid is held by a
23 dealer and has not been used and is intended
24 for sale,

1 there shall be credited or refunded (without interest)
2 to the person who paid such tax (hereafter in this
3 subsection referred to as the “taxpayer”) an amount
4 equal to the excess of the tax paid by the taxpayer
5 over the amount of such tax which would be imposed
6 on such liquid had the taxable event occurred on
7 such date.

8 (2) TIME FOR FILING CLAIMS.—No credit or re-
9 fund shall be allowed or made under this subsection
10 unless—

11 (A) claim therefor is filed with the Sec-
12 retary of the Treasury before the date which is
13 6 months after the date of the enactment of
14 this Act, based on a request submitted to the
15 taxpayer before the date which is 3 months
16 after such date of enactment, by the dealer who
17 held the liquid on such date of enactment, and

18 (B) the taxpayer has repaid or agreed to
19 repay the amount so claimed to such dealer or
20 has obtained the written consent of such dealer
21 to the allowance of the credit or the making of
22 the refund.

23 (3) EXCEPTION FOR FUEL HELD IN RETAIL
24 STOCKS.—No credit or refund shall be allowed under
25 this subsection with respect to any liquid in retail

1 stocks held at the place where intended to be sold
2 at retail.

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

7 (5) CERTAIN RULES TO APPLY.—Rules similar
8 to the rules of subsections (b) and (c) of section
9 6412 of such Code shall apply for purposes of this
10 subsection.

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