

106TH CONGRESS
2D SESSION

H. R. 4834

To amend the Internal Revenue Code of 1986 to suspend all motor fuel taxes until January 1, 2001.

IN THE HOUSE OF REPRESENTATIVES

JULY 12, 2000

Mr. MCINTOSH 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 suspend all motor fuel taxes until January 1, 2001.

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 “Gas Tax Relief Act
5 of 2000”.

6 **SEC. 2. SUSPENSION OF FUEL TAXES THROUGH DECEMBER**

7 **31, 2000.**

8 (a) TEMPORARY SUSPENSION OF FUEL TAXES.—

9 During the suspension period, each rate of tax referred
10 to in subsection (b) shall be reduced to zero.

1 (b) RATES OF TAX.—The rates of tax referred to in
 2 this subsection are the rates of tax otherwise applicable
 3 under—

4 (1) paragraphs (1), (2), and (3) of section
 5 4041(a) of the Internal Revenue Code of 1986 (re-
 6 lating to diesel fuel and special motor fuels),

7 (2) subsection (m) of section 4041 of such Code
 8 (relating to certain alcohol fuels),

9 (3) subparagraphs (A) and (C) of section
 10 4042(b)(1) of such Code (relating to tax on fuel
 11 used in commercial transportation on inland water-
 12 ways),

13 (4) clauses (i), (ii), and (iii) of section
 14 4081(a)(2)(A) of such Code (relating to gasoline,
 15 diesel fuel, and kerosene),

16 (5) paragraph (1) of section 4091(b) of such
 17 Code (relating to aviation fuel), and

18 (6) paragraph (2) of section 4092(b) of such
 19 Code (relating to fuel used in commercial aviation).

20 (c) SUSPENSION PERIOD.—For purposes of this sec-
 21 tion, the term “suspension period” means the period be-
 22 ginning on the date of the enactment of this Act and end-
 23 ing on December 31, 2000.

24 **SEC. 3. FLOOR STOCK REFUNDS.**

25 (a) IN GENERAL.—If—

1 (1) before the tax suspension date, a tax re-
2 ferred to in section 2(b) has been imposed under the
3 Internal Revenue Code of 1986 on any liquid, and
4 (2) on such date such liquid is held by a dealer
5 and has not been used and is intended for sale,
6 there shall be credited or refunded (without interest) to
7 the person who paid such tax (hereafter in this section
8 referred to as the “taxpayer”) an amount equal to the ex-
9 cess of the tax paid by the taxpayer over the amount of
10 such tax which would be imposed on such liquid had the
11 taxable event occurred on such date.

12 (b) TIME FOR FILING CLAIMS.—No credit or refund
13 shall be allowed or made under this section unless—

14 (1) claim therefor is filed with the Secretary of
15 the Treasury before the date which is 6 months
16 after the tax suspension date, and

17 (2) in any case where liquid is held by a dealer
18 (other than the taxpayer) on the tax suspension
19 date—

20 (A) the dealer submits a request for refund
21 or credit to the taxpayer before the date which
22 is 3 months after the tax suspension date, and

23 (B) the taxpayer has repaid or agreed to
24 repay the amount so claimed to such dealer or
25 has obtained the written consent of such dealer

1 to the allowance of the credit or the making of
2 the refund.

3 (c) EXCEPTION FOR FUEL HELD IN RETAIL
4 STOCKS.—No credit or refund shall be allowed under this
5 section with respect to any liquid in retail stocks held at
6 the place where intended to be sold at retail.

7 (d) DEFINITIONS.—For purposes of this section—

8 (1) the terms “dealer” and “held by a dealer”
9 have the respective meanings given to such terms by
10 section 6412 of such Code; except that the term
11 “dealer” includes a producer, and

12 (2) the term “tax suspension date” means the
13 date on which the suspension period begins under
14 section 2(b).

15 (e) CERTAIN RULES TO APPLY.—Rules similar to the
16 rules of subsections (b) and (c) of section 6412 of such
17 Code shall apply for purposes of this section.

18 **SEC. 4. FLOOR STOCKS TAX.**

19 (a) IMPOSITION OF TAX.—In the case of any taxable
20 liquid which is held on the floor stocks tax date by any
21 person, there is hereby imposed a floor stocks tax equal
22 to the excess of the tax which would be imposed on such
23 liquid under any section of the Internal Revenue Code of
24 1986 referred to in section 2(b) had the taxable event oc-

1 curred on the floor stocks tax date over the tax paid under
2 any such section on such liquid.

3 (b) LIABILITY FOR TAX AND METHOD OF PAY-
4 MENT.—

5 (1) LIABILITY FOR TAX.—A person holding a
6 liquid on the floor stocks tax date to which the tax
7 imposed by subsection (a) applies shall be liable for
8 such tax.

9 (2) METHOD OF PAYMENT.—The tax imposed
10 by subsection (a) shall be paid in such manner as
11 the Secretary shall prescribe.

12 (3) TIME FOR PAYMENT.—The tax imposed by
13 subsection (a) shall be paid on or before the date
14 which is 6 months after the floor stocks tax date.

15 (c) DEFINITIONS.—For purposes of this section—

16 (1) HELD BY A PERSON.—A liquid shall be con-
17 sidered as “held by a person” if title thereto has
18 passed to such person (whether or not delivery to
19 the person has been made).

20 (2) TAXABLE LIQUID.—The term “taxable liq-
21 uid” means any liquid on which a tax referred to in
22 section 2(b) is imposed on the floor stocks tax date.

23 (3) FLOOR STOCKS TAX DATE.—The term
24 “floor stocks tax date” means January 1, 2001.

1 (4) SECRETARY.—The term “Secretary” means
2 the Secretary of the Treasury or the Secretary’s del-
3 egate.

4 (d) EXCEPTION FOR EXEMPT USES.—The tax im-
5 posed by subsection (a) shall not apply to taxable liquid
6 held by any person exclusively for any use to the extent
7 a credit or refund of the tax imposed by a section of the
8 Code referred to in section 2(b) is allowable for such use.

9 (e) EXCEPTION FOR FUEL HELD IN VEHICLE
10 TANK.—No tax shall be imposed by subsection (a) on tax-
11 able liquid held in the tank of a motor vehicle or motor-
12 boat.

13 (f) EXCEPTION FOR CERTAIN AMOUNTS OF FUEL.—

14 (1) IN GENERAL.—No tax shall be imposed by
15 subsection (a) on any liquid held on the floor stocks
16 tax date by any person if the aggregate amount of
17 liquid held by such person on such date does not ex-
18 ceed 2,000 gallons. The preceding sentence shall
19 apply only if such person submits to the Secretary
20 (at the time and in the manner required by the Sec-
21 retary) such information as the Secretary shall re-
22 quire for purposes of this paragraph.

23 (2) EXEMPT FUEL.—For purposes of para-
24 graph (1), there shall not be taken into account fuel
25 held by any person which is exempt from the tax im-

1 posed by subsection (a) by reason of subsection (d)
2 or (e).

3 (3) CONTROLLED GROUPS.—For purposes of
4 this subsection—

5 (A) CORPORATIONS.—

6 (i) IN GENERAL.—All persons treated
7 as a controlled group shall be treated as 1
8 person.

9 (ii) CONTROLLED GROUP.—The term
10 “controlled group” has the meaning given
11 to such term by subsection (a) of section
12 1563 of such Code; except that for such
13 purposes the phrase “more than 50 per-
14 cent” shall be substituted for the phrase
15 “at least 80 percent” each place it appears
16 in such subsection.

17 (B) NONINCORPORATED PERSONS UNDER
18 COMMON CONTROL.—Under regulations pre-
19 scribed by the Secretary, principles similar to
20 the principles of subparagraph (A) shall apply
21 to a group of persons under common control
22 where 1 or more of such persons is not a cor-
23 poration.

24 (g) OTHER LAW APPLICABLE.—All provisions of law,
25 including penalties, applicable with respect to the taxes

1 imposed by chapter 31 or 32 of such Code shall, insofar
2 as applicable and not inconsistent with the provisions of
3 this section, apply with respect to the floor stock taxes
4 imposed by subsection (a) to the same extent as if such
5 taxes were imposed by such chapter.

6 **SEC. 5. MAINTENANCE OF TRUST FUND DEPOSITS.**

7 In determining the amounts to be appropriated to
8 any trust fund, an amount equal to the reduction in reve-
9 nues to the Treasury by reason of a reduction under this
10 Act in any rate shall be treated as taxes received in the
11 Treasury under such rate.

12 **SEC. 6. REPORTING REQUIREMENTS.**

13 (a) CHANGES IN FUEL PRICES.—Not later than 30
14 days after the date of the enactment of this Act, the Sec-
15 retary of Treasury, in consultation with the Secretary of
16 Energy, shall prepare and submit to the Committee on
17 Ways and Means of the House of Representatives and the
18 Committee on Finance of the Senate a study which specifi-
19 cally addresses the following issues:

20 (1) Changes in the price of gasoline, diesel fuel,
21 and other transportation fuels over the previous 12
22 months.

23 (2) The impact on fuel prices posed by the re-
24 formulated gas mandate of the Clean Air Act.

1 (3) The economic feasibility and appropriate-
2 ness of maintaining the reformulated gas mandate.

3 (b) PASS THROUGH OF TAX REDUCTION.—

4 (1) The Comptroller General of the United
5 States shall conduct a study of the reduction of
6 taxes under this Act to determine whether there has
7 been a pass through to consumers of such reduction.

8 (2) Not later than 60 days after the date of the
9 enactment of this Act, the Comptroller General shall
10 submit to the Committee on Ways and Means of the
11 House of Representatives and the Committee on Fi-
12 nance of the Senate a report containing the results
13 of the study conducted under paragraph (1).

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