

106TH CONGRESS
2D SESSION

H. R. 4974

To amend the Internal Revenue Code of 1986 to impose a windfall profit tax on oil and natural gas (and products thereof) and to allow an income tax credit for purchases of fuel-efficient passenger vehicles, and to allow grants for mass transit.

IN THE HOUSE OF REPRESENTATIVES

JULY 26, 2000

Mr. KUCINICH (for himself, Mr. BONIOR, Mr. VISCLOSKY, Ms. RIVERS, Ms. MCKINNEY, Mr. SANDERS, Ms. MCCARTHY of Missouri, and Mr. FILNER) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on 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 impose a windfall profit tax on oil and natural gas (and products thereof) and to allow an income tax credit for purchases of fuel-efficient passenger vehicles, and to allow grants for mass transit.

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 Price Spike Act
5 of 2000”.

1 **SEC. 2. WINDFALL PROFITS TAX.**

2 (a) IN GENERAL.—Subtitle E of the Internal Rev-
 3 enue Code of 1986 (relating to alcohol, tobacco, and cer-
 4 tain other excise taxes) is amended by adding at the end
 5 thereof the following new chapter:

6 **“CHAPTER 55—WINDFALL PROFIT ON**
 7 **CRUDE OIL, NATURAL GAS, AND PROD-**
 8 **UCTS THEREOF**

“Sec. 5886. Imposition of tax.

9 **“SEC. 5886. IMPOSITION OF TAX.**

10 “(a) IN GENERAL.—In addition to any other tax im-
 11 posed under this title, there is hereby imposed an excise
 12 tax on the sale in the United States of any crude oil, nat-
 13 ural gas, or other taxable product a tax equal to the appli-
 14 cable percentage of the windfall profit on such sale.

15 “(b) DEFINITIONS.—For purposes of this section—

16 “(1) TAXABLE PRODUCT.—The term ‘taxable
 17 product’ means any fuel which is a product of crude
 18 oil or natural gas.

19 “(2) WINDFALL PROFIT.—The term ‘windfall
 20 profit’ means, with respect to any sale, so much of
 21 the profit on such sale as exceeds a reasonable prof-
 22 it.

23 “(3) APPLICABLE PERCENTAGE.—The term
 24 ‘applicable percentage’ means—

1 “(A) 50 percent to the extent that the
2 profit on the sale exceeds 100 percent of the
3 reasonable profit on the sale but does not ex-
4 ceed 102 percent of the reasonable profit on the
5 sale,

6 “(B) 75 percent to the extent that the
7 profit on the sale exceeds 102 percent of the
8 reasonable profit on the sale but does not ex-
9 ceed 105 percent of the reasonable profit on the
10 sale, and

11 “(C) 100 percent to the extent that the
12 profit on the sale exceeds 105 percent of the
13 reasonable profit on the sale.

14 “(4) REASONABLE PROFIT.—The term ‘reason-
15 able profit’ means the amount determined by the
16 Reasonable Profits Board to be a reasonable profit
17 on the sale.

18 “(c) LIABILITY FOR PAYMENT OF TAX.—The taxes
19 imposed by subsection (a) shall be paid by the seller.”

20 “(b) CLERICAL AMENDMENT.—The table of chapters
21 for subtitle E of such Code is amended by adding at the
22 end the following new item:

 “Chapter 55. Windfall profit on crude oil and refined petroleum
 products.”

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall take effect on the date of the enactment
3 of this Act.

4 **SEC. 3. CREDIT FOR PURCHASING FUEL EFFICIENT AMER-**
5 **ICAN-MADE PASSENGER VEHICLES.**

6 (a) IN GENERAL.—Subpart A of part IV of sub-
7 chapter A of chapter 1 of the Internal Revenue Code of
8 1986 (relating to nonrefundable personal credits) is
9 amended by inserting after section 25A the following new
10 section:

11 **“SEC. 25B. PURCHASE OF FUEL-EFFICIENT AMERICAN-**
12 **MADE PASSENGER VEHICLES.**

13 “(a) IN GENERAL.—In the case of an individual,
14 there shall be allowed as a credit against the tax imposed
15 by this chapter for the taxable year an amount equal to
16 the cost of any qualified passenger vehicle purchased by
17 the taxpayer during the taxable year.

18 “(b) MAXIMUM CREDIT.—The credit allowed by this
19 section for the taxable year shall not exceed—

20 “(1) \$2,000 in the case of a qualified passenger
21 vehicle not described in paragraph (2) or (3),

22 “(2) \$3,000 in the case of a qualified passenger
23 vehicle the fuel economy of which is—

1 “(A) in the case a truck or sport utility ve-
2 hicle, at least 45 miles per gallon but less than
3 55 miles per gallon, and

4 “(B) in any other case, at least 55 miles
5 per gallon but less than 65 miles per gallon,
6 and

7 “(3) \$4,000 in the case of a qualified passenger
8 vehicle the fuel economy of which is—

9 “(A) in the case a truck or sport utility ve-
10 hicle, at least 55 miles per gallon, and

11 “(B) in any other case, at least 65 miles
12 per gallon.

13 “(c) QUALIFIED PASSENGER VEHICLE.—For pur-
14 poses of this section—

15 “(1) IN GENERAL.—The term ‘qualified auto-
16 mobile’ means any automobile (as defined in section
17 4064(b))—

18 “(A) which is purchased after the date of
19 the enactment of this section,

20 “(B) which is assembled in the United
21 States by individuals employed under a collec-
22 tive bargaining agreement,

23 “(C) the original use of which begins with
24 the taxpayer,

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years ending after the
3 date of the enactment of this Act.

4 **SEC. 4. MASS TRANSIT FARE REDUCTIONS DURING GAS**
5 **PRICE SPIKES.**

6 (a) IN GENERAL.—The Secretary of Transportation
7 may make grants to the operator of a mass transit system
8 to assist the operator in reducing fares paid by passengers
9 using the system.

10 (b) USE OF GRANTS.—Grants received under the
11 program shall be used solely for implementing a fare re-
12 duction described in subsection (a) that is applied equally
13 to all passengers using the mass transit system.

14 (c) MASS TRANSIT SYSTEM DEFINED.—In this sec-
15 tion, the term “mass transit system” includes bus and
16 commuter rail systems.

17 (d) AUTHORIZATION OF APPROPRIATIONS.—There is
18 authorized to be appropriated to carry out this section in
19 a fiscal year amounts equivalent to the excess (if any) of—

20 (1) the revenues received during the preceding
21 fiscal year pursuant to chapter 55 of the Internal
22 Revenue Code of 1986 (relating to windfall profit on
23 crude oil and refined petroleum products), over

1 (2) the revenue cost for such fiscal year of sec-
2 tion 25B of such Code (relating to purchase of fuel-
3 efficient American-made passenger vehicles).

4 Amounts authorized under the preceding sentence shall re-
5 main available until expended.

6 **SEC. 5. REASONABLE PROFITS BOARD.**

7 (a) ESTABLISHMENT.—There is established an inde-
8 pendent board to be known as the “Reasonable Profits
9 Board” (hereafter in this section referred to as the
10 “Board”).

11 (b) DUTIES.—The Board shall make reasonable prof-
12 it determinations for purposes of applying section 5886
13 of the Internal Revenue Code of 1986 (relating to windfall
14 profit on crude oil, natural gas, and products thereof).

15 (c) ADVISORY COMMITTEE.—The Board shall be con-
16 sidered an advisory committee within the meaning of the
17 Federal Advisory Committee Act (5 U.S.C. App.).

18 (d) APPOINTMENT.—

19 (1) MEMBERS.—The Board shall be composed
20 of 3 members appointed by the President of the
21 United States.

22 (2) TERM.—Members of the Board shall be ap-
23 pointed for a term of 3 years.

1 (3) BACKGROUND.—The members shall have no
2 financial interests in any of the businesses for which
3 reasonable profits are determined by the Board.

4 (e) PAY AND TRAVEL EXPENSES.—

5 (1) PAY.—Notwithstanding section 7 of the
6 Federal Advisory Committee Act (5 U.S.C. App.),
7 members of the Board shall be paid at a rate equal
8 to the daily equivalent of the minimum annual rate
9 of basic pay for level IV of the Executive Schedule
10 under section 5315 of title 5, United States Code,
11 for each day (including travel time) during which the
12 member is engaged in the actual performance of du-
13 ties vested in the Board.

14 (2) TRAVEL EXPENSES.—Members shall receive
15 travel expenses, including per diem in lieu of subsist-
16 ence, in accordance with section 5702 and 5703 of
17 title 5, United States Code.

18 (f) DIRECTOR OF STAFF.—

19 (1) QUALIFICATIONS.—The Board shall appoint
20 a Director who has no financial interests in any of
21 the businesses for which reasonable profits are de-
22 termined by the Board.

23 (2) PAY.—Notwithstanding section 7 of the
24 Federal Advisory Committee Act (5 U.S.C. App.),
25 the Director shall be paid at the rate of basic pay

1 payable for level IV of the Executive Schedule under
2 section 5315 of title 5, United States Code.

3 (g) STAFF.—

4 (1) ADDITIONAL PERSONNEL.—The Director,
5 with the approval of the Board, may appoint and fix
6 the pay of additional personnel.

7 (2) APPOINTMENTS.—The Director may make
8 such appointments without regard to the provisions
9 of title 5, United States Code, governing appoint-
10 ments in the competitive service, and any personnel
11 so appointed may be paid without regard to the pro-
12 visions of chapter 51 and subchapter III of chapter
13 53 of that title relating to classification and General
14 Schedule pay rates.

15 (3) DETAILEES.—Upon the request of the Di-
16 rector, the head of any Federal department or agen-
17 cy may detail any of the personnel of that depart-
18 ment or agency to the Board to assist the Board in
19 accordance with an agreement entered into with the
20 Board.

21 (4) ASSISTANCE.—The Comptroller General of
22 the United States may provide assistance, including
23 the detailing of employees, to the Board in accord-
24 ance with an agreement entered into with the Board.

25 (h) OTHER AUTHORITY.—

1 (1) EXPERTS AND CONSULTANTS.—The Board
2 may procure by contract, to the extent funds are
3 available, the temporary or intermittent services of
4 experts or consultants pursuant to section 3109 of
5 title 5, United States Code.

6 (2) LEASING.—The Board may lease space and
7 acquire personal property to the extent that funds
8 are available.

9 (i) FUNDING.—There are authorized to be appro-
10 priated such funds as are necessary to carry out this sec-
11 tion.

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