

109TH CONGRESS
1ST SESSION

H. R. 3944

To amend the Internal Revenue Code of 1986 to allow a temporary credit against income tax to offset the high fuel costs of small businesses, farmers, and fishermen.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 29, 2005

Mr. ALLEN (for himself, Mr. MCHUGH, Mr. MARKEY, Mr. BROWN of Ohio, Ms. SOLIS, Mrs. CAPPS, and Mr. GRIJALVA) 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 allow a temporary credit against income tax to offset the high fuel costs of small businesses, farmers, and fishermen.

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 “Small Business Fuel
5 Cost Relief Act of 2005”.

1 **SEC. 2. TEMPORARY CREDIT AGAINST INCOME TAX FOR**
2 **SMALL BUSINESSES, FARMERS, AND FISHER-**
3 **MEN TO OFFSET HIGH FUEL COSTS.**

4 (a) IN GENERAL.—Subpart D of part IV of sub-
5 chapter A of chapter 1 of the Internal Revenue Code of
6 1986 (relating to business-related credits) is amended by
7 inserting after section 45M the following new section:

8 **“SEC. 45N. TEMPORARY CREDIT FOR SMALL BUSINESSES,**
9 **FARMERS, AND FISHERMEN TO OFFSET HIGH**
10 **FUEL COSTS.**

11 “(a) ALLOWANCE OF CREDIT.—In the case of an eli-
12 gible taxpayer, the excessive fuel cost credit determined
13 under this section is an amount equal to the excessive fuel
14 cost paid or incurred by the taxpayer during the taxable
15 year for any creditable fuel used in any trade or business
16 of the taxpayer.

17 “(b) EXCESSIVE FUEL COST.—For purposes of this
18 section—

19 “(1) IN GENERAL.—The term ‘excessive fuel
20 cost’ means, with respect to any creditable fuel, the
21 excess (if any) of—

22 “(A) the amount paid or incurred by the
23 taxpayer for such fuel, over

24 “(B) the adjusted base price for such fuel.

25 “(2) ADJUSTED BASE PRICE.—

1 “(A) IN GENERAL.—The term ‘adjusted
2 base price’ means, with respect to any cred-
3 itable fuel, the amount determined by the Sec-
4 retary to be the applicable Labor Day 2004
5 price for such fuel adjusted for inflation.

6 “(B) APPLICABLE PRICE.—The applicable
7 Labor Day 2004 price for any fuel is the aver-
8 age price for such fuel for the region in which
9 the taxpayer purchased such fuel (as deter-
10 mined using data of the Energy Information
11 Agency of the Department of Energy).

12 “(C) INFLATION ADJUSTMENT.—The infla-
13 tion adjustment shall be determined under the
14 principles of section 1(f); except that, the Sec-
15 retary shall use estimates of the monthly Con-
16 sumer Price Index (as defined in such section)
17 where possible to more closely reflect current
18 inflation.

19 “(c) ELIGIBLE TAXPAYER.—For purposes of this sec-
20 tion—

21 “(1) IN GENERAL.—The term ‘eligible taxpayer’
22 means any person engaged in a trade or business
23 if—

24 “(A) such trade or business is—

1 “(i) a farming business (as defined by
2 section 263A(e)(4), or

3 “(ii) commercial fishing (as defined in
4 section 3 of the Magnuson-Stevens Fishery
5 Conservation and Management Act (16
6 U.S.C. 1802)), or

7 “(B) such person is a small business.

8 “(2) SMALL BUSINESS.—The term ‘small busi-
9 ness’ means a corporation or partnership which
10 meets the gross receipts test of section 448(c) for
11 the taxable year (or, in the case of a sole proprietor-
12 ship, which would meet such test if such proprietor-
13 ship were a corporation).

14 “(3) CREDITABLE FUEL.—The term ‘creditable
15 fuel’ means—

16 “(A) gasoline,

17 “(B) diesel fuel,

18 “(C) heating oil, and

19 “(D) natural gas.

20 “(d) ADJUSTMENT OF STANDARD MILEAGE RATE.—

21 An eligible taxpayer may elect, in lieu of the credit under
22 this section, a standard mileage allowance under section
23 162 equal to 60 cents for each mile traveled during the
24 period described in subsection (e). The Secretary shall
25 modify the standard mileage rate under the preceding sen-

1 tence to the extent that 60 cents does not accurately re-
2 flect that value of the credit under this section.

3 “(e) APPLICATION OF SECTION.—This section shall
4 apply to fuels purchased during the 2-year period begin-
5 ning on the date of the enactment of this section.”.

6 (b) CREDIT TO BE PART OF GENERAL BUSINESS
7 CREDIT.—Subsection (b) of section 38 of such Code is
8 amended by striking “plus” at the end of paragraph (23),
9 by striking the period at the end of paragraph (24) and
10 inserting “, plus”, and by adding at the end the following
11 new paragraph:

12 “(25) in the case of an eligible taxpayer (as de-
13 fined in section 45N(c)), the excessive fuel cost cred-
14 it determined under section 45N(a).”.

15 (c) CLERICAL AMENDMENT.—The table of sections
16 for subpart D of part IV of subchapter A of chapter 1
17 of such Code is amended by inserting after the item relat-
18 ing to section 45M the following new item:

“Sec. 45N. Temporary credit for small businesses, farmers, and fishermen to
offset high fuel costs.”.

19 (d) EFFECTIVE DATE.—The amendments made by
20 this section shall apply to taxable years ending after the
21 date of the enactment of this Act.

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