

113TH CONGRESS  
1ST SESSION

# S. 1450

To amend the Internal Revenue Code of 1986 to impose an ad valorem excise tax on certain passenger cruise voyages, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

AUGUST 1, 2013

Mr. ROCKEFELLER introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to impose an ad valorem excise tax on certain passenger cruise voyages, and for other purposes.

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. EXCISE TAX ON GROSS RECEIPTS DERIVED**  
4 **FROM CRUISES.**

5 (a) IN GENERAL.—Subchapter B of chapter 36 of the  
6 Internal Revenue Code of 1986 is amended by inserting  
7 after section 4472 the following:

8 **“PART II—AD VALOREM TAX**

“Sec. 4476. Imposition of tax.

“Sec. 4477. Definitions.

1 **“SEC. 4476. IMPOSITION OF TAX.**

2 “(a) IN GENERAL.—In addition to any other tax,  
3 there is hereby imposed a tax of 5 percent of the allocable  
4 amount with respect to any covered passenger cruise.

5 “(b) BY WHOM PAID.—The tax imposed by this sec-  
6 tion shall be paid by the person providing the covered pas-  
7 senger cruise.

8 **“SEC. 4477. DEFINITIONS.**

9 “For purposes of this section—

10 “(1) COVERED PASSENGER CRUISE.—

11 “(A) IN GENERAL.—The term ‘covered  
12 passenger cruise’ means a voyage of a commer-  
13 cial passenger cruise vessel—

14 “(i) that extends over 1 or more  
15 nights, and

16 “(ii) during which passengers embark  
17 or disembark the vessel in the United  
18 States.

19 “(B) EXCEPTIONS FOR CERTAIN VOY-  
20 AGES.—Such term shall not include any voy-  
21 age—

22 “(i) on any vessel owned or operated  
23 by the United States, a State, or any sub-  
24 division thereof,

25 “(ii) which occurs exclusively on the  
26 inland waterways of the United States, or

1           “(iii) in which a vessel in the usual  
2           course of employment proceeds, without an  
3           intervening foreign port of call from one  
4           port or place in the United States to the  
5           same port or place or to another port or  
6           place in the United States.

7           “(2) PASSENGER CRUISE VESSEL.—

8           “(A) IN GENERAL.—The term ‘passenger  
9           cruise vessel’ means any passenger vessel—

10           “(i) having berth or stateroom accom-  
11           modations for at least 250 passengers, and

12           “(ii) that is used in the business of  
13           carrying passengers for hire.

14           “(B) EXCEPTIONS.—Such term shall not  
15           include any ferry, recreational vessel, sailing  
16           school vessel, small passenger vessel, offshore  
17           supply vessel, or any other vessel determined  
18           under regulations by the Secretary to be ex-  
19           cluded from the application of this part.

20           “(C) DEFINITIONS.—Any term used in  
21           this section which is used in chapter 21 of title  
22           46, United States Code, shall have the meaning  
23           given such term under section 2101 of such  
24           title.

1           “(3) ALLOCABLE AMOUNT.—The term ‘allo-  
2 cable amount’ means—

3           “(A) in the case in which a majority of the  
4 passengers on any covered passenger cruise em-  
5 bark or disembark in the United States, 100  
6 percent of the gross receipts attributable to  
7 such covered passenger cruise, and

8           “(B) in any other case, 50 percent of the  
9 gross receipts attributable to such covered pas-  
10 senger cruise.

11           “(4) UNITED STATES.—The term ‘United  
12 States’ includes any possession of the United  
13 States.”.

14           (b) CONFORMING AMENDMENT.—Subchapter B of  
15 chapter 36 of the Internal Revenue Code of 1986 is  
16 amended by striking all preceding section 4471 and insert-  
17 ing the following:

18           **“Subchapter B—Transportation by Water**

                                  “PART I—PER PASSENGER TAX

                                  “PART II—AD VALOREM TAX

19                               **“PART I—PER PASSENGER TAX**

                                  “Sec. 4471. Imposition of tax.

                                  “Sec. 4472. Definitions.”.

20           (c) EFFECTIVE DATE.—The amendments made by  
21 this section shall apply to voyages made after the date of  
22 the enactment of this Act.

1 **SEC. 2. INTERMODAL INFRASTRUCTURE TRUST FUND.**

2 (a) IN GENERAL.—Subchapter A of Chapter 98 of  
3 the Internal Revenue Code of 1986 is amended by adding  
4 at the end the following new section:

5 **“SEC. 9512. INTERMODAL INFRASTRUCTURE TRUST FUND.**

6 “(a) CREATION OF TRUST FUND.—There is hereby  
7 established in the Treasury of the United States a trust  
8 fund to be known as the ‘Intermodal Infrastructure Trust  
9 Fund’, consisting of such amounts as may be appropriated  
10 or credited to the Intermodal Infrastructure Trust Fund  
11 in this section or section 9602(b).

12 “(b) TRANSFERS TO INTERMODAL INFRASTRUCTURE  
13 TRUST FUND.—There are hereby appropriated to the  
14 Intermodal Infrastructure Trust Fund amounts equivalent  
15 to the taxes received in the Treasury under section 4471.

16 “(c) EXPENDITURES FROM INTERMODAL INFRA-  
17 STRUCTURE TRUST FUND.—Amounts in the Intermodal  
18 Infrastructure Trust Fund shall be available, as provided  
19 in appropriations Acts, for transportation improvement,  
20 including—

21 “(1) the construction or improvement of—

22 “(A) passenger or freight rail lines,

23 “(B) highways,

24 “(C) bridges,

25 “(D) airports,

26 “(E) air traffic control systems,

1 “(F) port or marine facilities,

2 “(G) inland waterways,

3 “(H) transmission or distribution pipelines,

4 “(I) public transportation facilities or sys-  
5 tems,

6 “(J) intercity passenger bus or passenger  
7 rail facilities or equipment, and

8 “(K) freight rail facilities or equipment,  
9 and

10 “(2) planning, preparation, or design of any  
11 project described in paragraph (1).”.

12 (b) CLERICAL AMENDMENT.—The table of sections  
13 for subchapter A of Chapter 98 of such Code is amended  
14 by adding at the end the following new item:

“Sec. 9512. Intermodal Infrastructure Trust Fund.”.

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