

115TH CONGRESS
1ST SESSION

H. R. 1458

To amend the Internal Revenue Code of 1986 to increase the excise tax on gasoline, diesel, and kerosene fuels.

IN THE HOUSE OF REPRESENTATIVES

MARCH 9, 2017

Mr. BLUMENAUER (for himself, Mr. POCAN, Mrs. NAPOLITANO, Mr. ELLISON, Mr. HUFFMAN, Mr. CARTWRIGHT, Mr. LARSEN of Washington, Mr. CAPUANO, Ms. CLARK of Massachusetts, Mr. DEUTCH, Mr. BEYER, Mr. MOULTON, Mr. SIRES, Ms. SCHAKOWSKY, Mr. LOWENTHAL, Mr. BRENDAN F. BOYLE of Pennsylvania, Mr. HASTINGS, Mr. COHEN, Mr. GRIJALVA, Mr. WELCH, and Ms. MCCOLLUM) 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 increase the excise tax on gasoline, diesel, and kerosene fuels.

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 “Raise And Index to
5 Sustainably and Efficiently Invest in Transportation Act
6 of 2017” or the “RAISE IT Act”.

7 **SEC. 2. FINDINGS; SENSE OF CONGRESS.**

8 (a) FINDINGS.—The Congress finds the following:

1 (1) Since the passage of SAFETEA-LU, Con-
2 gress has transferred over \$140 billion from the
3 General Fund to the Highway Trust Fund, in order
4 to maintain solvency.

5 (2) The Congressional Budget Office estimates
6 after the end of Fiscal year 2021, annual General
7 Fund transfers of over \$20 billion will be necessary
8 in order to maintain current Highway Trust Fund
9 spending levels.

10 (3) The American Society for Civil Engineers
11 estimates that in order to meet our economic and
12 transportation needs, the United States should in-
13 vest an additional \$1.1 trillion in our surface trans-
14 portation system by 2025.

15 (4) The National Commission on Fiscal Reform
16 and Responsibility report, often referred to as the
17 “Simpson-Bowles” plan, includes a recommendation
18 to raise the gas tax by fifteen cents.

19 (5) The National Surface Transportation Infra-
20 structure Financing Commission recommended, in
21 their 2009 report, that Congress take action to pre-
22 vent the Highway Trust Fund from becoming insol-
23 vent, and to avoid any reductions in infrastructure
24 spending. The Commission also noted that a Federal

1 funding system based on a vehicle miles traveled sys-
2 tem, is the consensus choice for the future.

3 (6) Nine different states raised gas taxes to
4 generate transportation revenue in 2015 and 2016.

5 (b) SENSE OF CONGRESS REGARDING REPLACEMENT
6 OF GAS TAX.—It is the sense of Congress that by 2027
7 the gas tax should be repealed and replaced with a more
8 sustainable, stable funding source.

9 **SEC. 3. TAX ON MOTOR FUELS.**

10 (a) GASOLINE OTHER THAN AVIATION GASOLINE.—
11 Section 4081(a)(2)(A)(i) of the Internal Revenue Code of
12 1986 is amended to read as follows:

13 “(i) in the case of gasoline other than
14 aviation gasoline—

15 “(I) for tax imposed before 2018,
16 18.3 cents per gallon,

17 “(II) for tax imposed during
18 2018, 26.3 cents per gallon,

19 “(III) for tax imposed during
20 2019, 30.3 cents per gallon, and

21 “(IV) for tax imposed after 2019
22 and before 2030, 33.3 cents per gal-
23 lon.”.

1 (b) DIESEL FUEL OR KEROSENE.—Section
2 4081(a)(2)(A)(iii) of the Internal Revenue Code of 1986
3 is amended to read as follows:

4 “(iii) in the case of diesel fuel or ker-
5 osene—

6 “(I) for tax imposed before 2018,
7 24.3 cents per gallon,

8 “(II) for tax imposed during
9 2018, 32.3 cents per gallon,

10 “(III) for tax imposed during
11 2019, 36.3 cents per gallon, and

12 “(IV) for tax imposed after 2019
13 and before 2029, 39.3 cents per gal-
14 lon.”.

15 (c) INCREASE FOR INFLATION.—Paragraph (2) of
16 section 4081(a) of such Code is amended by adding at
17 the end the following:

18 “(E) ADJUSTMENT FOR INFLATION.—In
19 the case of any calendar year beginning after
20 2019, the rates of tax contained in clauses
21 (i)(IV) and (iii)(IV) of subparagraph (A) shall
22 each be increased by an amount equal to—

23 “(i) such rate, multiplied by

24 “(ii) the cost of living adjustment de-
25 termined under section 1(f)(3) for the cal-

1 endar year, determined by substituting
2 ‘calendar year 2018’ for ‘calendar year
3 1992’ in subparagraph (B) thereof.

4 Any increase under the preceding sentence shall
5 be rounded to the nearest 0.1 cents.”.

6 (d) DIESEL-WATER FUEL EMULSION.—Section
7 4081(a)(2)(D) of the Internal Revenue Code of 1986 is
8 amended by striking “19.7 cents” for “24.3 cents” and
9 inserting “a rate equal to 71 percent of the rate in effect
10 under subparagraph (A) (without regard to this subpara-
11 graph)”.

12 (e) TERMINATION.—Section 4081(d)(1) of the Inter-
13 nal Revenue Code of 1986 is amended by striking “Sep-
14 tember 30, 2022” and inserting “December 31, 2028”.

15 (f) ALLOCATION IN ACCOUNTS IN HIGHWAY TRUST
16 FUND.—

17 (1) IN GENERAL.—Section 9503(e)(2)(A) of the
18 Internal Revenue Code of 1986 is amended to read
19 as follows:

20 “(A) except as otherwise provided in this
21 sentence—

22 “(i) 2.86 cents per gallon with respect
23 to taxes imposed during calendar year
24 2017,

1 “(ii) 3.86 cents per gallon with re-
2 spect to taxes imposed during calendar
3 year 2018,

4 “(iii) 4.86 cents per gallon with re-
5 spect to taxes imposed during calendar
6 year 2019, and

7 “(iv) 5.86 cents per gallon with re-
8 spect to taxes imposed after calendar year
9 2019,”.

10 (2) ADJUSTMENT FOR INFLATION.—Section
11 9503(e) of the Internal Revenue Code of 1986 is
12 amended by adding at the end the following new
13 paragraph:

14 “(6) ADJUSTMENT FOR INFLATION.—In the
15 case of any calendar year beginning after 2019, the
16 rate of tax contained in paragraph (2)(A)(iv) shall
17 be increased by an amount equal to—

18 “(A) such rate, multiplied by

19 “(B) the cost of living adjustment deter-
20 mined under section 1(f)(3) for the calendar
21 year, determined by substituting ‘calendar year
22 2018’ for ‘calendar year 1992’ in subparagraph
23 (B) thereof.

24 Any increase under the preceding sentence shall be
25 rounded to the nearest 0.1 cents.”.

1 (g) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to fuels or liquids removed, en-
3 tered, or sold after December 31, 2017.

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

5 (a) IMPOSITION OF TAX.—In the case of any taxable
6 liquid which is held on the floor stocks tax date by any
7 person, there is hereby imposed a floor stocks tax equal
8 to the excess of the tax which would be imposed on such
9 liquid under section 4041 or 4081 of the Internal Revenue
10 Code of 1986 had the taxable event occurred on the floor
11 stocks tax date over the tax paid under any such section
12 on such liquid.

13 (b) LIABILITY FOR TAX AND METHOD OF PAY-
14 MENT.—

15 (1) LIABILITY FOR TAX.—A person holding a
16 liquid on the floor stocks tax date to which the tax
17 imposed by subsection (a) applies shall be liable for
18 such tax.

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

22 (3) TIME OF PAYMENT.—The tax imposed by
23 subsection (a) shall be paid on or before the date
24 which is 6 months after the floor stocks tax date.

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

1 (1) HELD BY A PERSON.—A liquid shall be con-
2 sidered as held by a person if title thereto has
3 passed to such person (whether or not delivery to
4 the person has been made).

5 (2) TAXABLE LIQUID.—The term “taxable liq-
6 uid” means diesel fuel and kerosene (other than
7 aviation-grade kerosene).

8 (3) FLOOR STOCKS DATE.—The term “floor
9 stocks tax date” means any January 1 of any cal-
10 endar year beginning after the date of the enactment
11 of this Act on which a rate of tax under section
12 4041 or 4081 of such Code increases pursuant to an
13 amendment made by section 2.

14 (4) SECRETARY.—The term “Secretary” means
15 the Secretary of the Treasury.

16 (d) EXCEPTION FOR EXEMPT USES.—The tax im-
17 posed by subsection (a) shall not apply to taxable liquid
18 held by any person exclusively for any use to the extent
19 a credit or refund of the tax imposed by a section of such
20 Code is allowable for such use.

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

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

1 (1) IN GENERAL.—No tax shall be imposed by
2 subsection (A) on any liquid held on the floor stocks
3 tax date by any person if the aggregate amount of
4 liquid held by such person on such date does not ex-
5 ceed 2,000 gallons. The preceding sentence shall
6 apply only if such person submits to the Secretary
7 (at the time and in the manner required by the Sec-
8 retary) such information as the Secretary shall re-
9 quire for purposes of this paragraph.

10 (2) EXEMPT FUEL.—For purposes of para-
11 graph (1), there shall not be taken into account fuel
12 held by any person which is exempt from the tax im-
13 posed by subsection (a) by reason of subsection (d)
14 or (e).

15 (3) CONTROLLED GROUPS.—For purposes of
16 this section—

17 (A) CORPORATIONS.—

18 (i) IN GENERAL.—All persons treated
19 as a controlled group shall be treated as 1
20 person.

21 (ii) CONTROLLED GROUP.—The term
22 “controlled group” has the meaning given
23 to such term by subsection (a) of section
24 1563 of such Code; except that for such
25 purposes the phrase “more than 50 per-

1 cent” shall be substituted for the phrase
2 “at least 80 percent” each place it appears
3 in such subsection.

4 (B) NONINCORPORATED PERSONS UNDER
5 COMMON CONTROL.—Under regulations pre-
6 scribed by the Secretary, principles similar to
7 the principles of clause (i) shall apply to a
8 group of persons under common control where
9 one or more of such persons is not a corpora-
10 tion.

11 (g) OTHER LAWS APPLICABLE.—All provisions of
12 law, including penalties, applicable with respect to the
13 taxes imposed by chapter 31 or 32 of such Code shall,
14 insofar as applicable and not inconsistent with the provi-
15 sions of this section, apply with respect to the floor stock
16 taxes imposed by subsection (a) to the same extent as if
17 such taxes were imposed by such chapter.

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