

116TH CONGRESS  
1ST SESSION

# H. R. 2864

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

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IN THE HOUSE OF REPRESENTATIVES

MAY 21, 2019

Mr. BLUMENAUER introduced the following bill; which was referred to the Committee on Ways and Means

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## 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 “Rebuild America Act  
5 of 2019”.

6 **SEC. 2. SENSE OF CONGRESS.**

7 It is the sense of Congress that by 2029 the gas tax  
8 should be repealed and replaced with a more sustainable,  
9 stable funding source.

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

2 (a) **GASOLINE OTHER THAN AVIATION GASOLINE.**—

3 Section 4081(a)(2)(A)(i) of the Internal Revenue Code of  
4 1986 is amended to read as follows:

5 “(i) in the case of gasoline other than  
6 aviation gasoline—

7 “(I) for tax imposed before 2020,  
8 18.3 cents per gallon,

9 “(II) for tax imposed during  
10 2020, 23.3 cents per gallon,

11 “(III) for tax imposed during  
12 2021, 28.3 cents per gallon,

13 “(IV) for tax imposed during  
14 2022, 33.3 cents per gallon,

15 “(V) for tax imposed during  
16 2023, 38.3 cents per gallon, and

17 “(VI) for tax imposed after 2023,  
18 43.3 cents per gallon.”

19 (b) **DIESEL FUEL OR KEROSENE.**—Section  
20 4081(a)(2)(A)(iii) of such Code is amended to read as fol-  
21 lows:

22 “(iii) in the case of diesel fuel or ker-  
23 osene—

24 “(I) for tax imposed before 2020,  
25 24.3 cents per gallon,

1                   “(II) for tax imposed during  
2                   2020, 29.3 cents per gallon,

3                   “(III) for tax imposed during  
4                   2021, 34.3 cents per gallon,

5                   “(IV) for tax imposed during  
6                   2022, 39.3 cents per gallon,

7                   “(V) for tax imposed during  
8                   2023, 44.3 cents per gallon, and

9                   “(VI) for tax imposed after 2023,  
10                  49.3 cents per gallon.”.

11           (c) INCREASE FOR INFLATION.—Section 4081(a)(2)  
12 of such Code is amended by adding at the end the fol-  
13 lowing:

14                   “(E) ADJUSTMENT FOR INFLATION.—In  
15                   the case of any calendar year beginning after  
16                   2024, the rates of tax contained in clauses (i)  
17                   and (iii) of subparagraph (A) shall each be in-  
18                   creased by an amount equal to—

19                           “(i) such rate, multiplied by

20                           “(ii) the cost of living adjustment de-  
21                           termined under section 1(f)(3) for the cal-  
22                           endar year, determined by substituting  
23                           ‘calendar year 2023’ for ‘calendar year  
24                           2016’ in subparagraph (A)(ii) thereof.

1 Any increase under the preceding sentence shall  
2 be rounded to the nearest 0.1 cents.”.

3 (d) DIESEL-WATER FUEL EMULSION.—Section  
4 4081(a)(2)(D) of such Code is amended by striking “‘19.7  
5 cents’ for ‘24.3 cents’” and inserting “a rate equal to 71  
6 percent of the rate in effect under such subparagraph  
7 (without regard to this subparagraph)”.

8 (e) TERMINATION.—Section 4081(d)(1) of such Code  
9 is amended by striking “September 30, 2022” and insert-  
10 ing “December 31, 2029”.

11 (f) ALLOCATION IN ACCOUNTS IN HIGHWAY TRUST  
12 FUND.—

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

16 “(A) except as otherwise provided in this  
17 sentence—

18 “(i) 2.86 cents per gallon with respect  
19 to taxes imposed during calendar years be-  
20 fore 2020,

21 “(ii) 3.86 cents per gallon with re-  
22 spect to taxes imposed during calendar  
23 year 2020,

1           “(iii) 4.86 cents per gallon with re-  
2           spect to taxes imposed during calendar  
3           year 2021,

4           “(iv) 5.86 cents per gallon with re-  
5           spect to taxes imposed during calendar  
6           year 2022,

7           “(v) 6.86 cents per gallon with respect  
8           to taxes imposed during calendar year  
9           2023, and

10           “(vi) 7.86 center per gallon with re-  
11           spect to taxes imposed after calendar year  
12           2023,”.

13           (2) ADJUSTMENT FOR INFLATION.—Section  
14           9503(e) of the Internal Revenue Code of 1986 is  
15           amended by adding at the end the following new  
16           paragraph:

17           “(6) ADJUSTMENT FOR INFLATION.—In the  
18           case of any calendar year beginning after 2024, the  
19           rate of tax contained in paragraph (2)(A) shall be  
20           increased by an amount equal to—

21           “(A) such rate, multiplied by

22           “(B) the cost of living adjustment deter-  
23           mined under section 1(f)(3) for the calendar  
24           year, determined by substituting ‘calendar year

1           2023’ for ‘calendar year 2016’ in subparagraph  
2           (A)(ii) thereof.

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

5           (g) EFFECTIVE DATE.—The amendments made by  
6 this section shall apply to fuel removed, entered, or sold  
7 after December 31, 2018.

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

9           (a) IMPOSITION OF TAX.—In the case of taxed fuel  
10 to which a qualified person holds title on January 1, 2020,  
11 there is hereby imposed on such fuel a tax at a rate of  
12 5 cents per gallon.

13           (b) TAXED FUEL DEFINED.—The term “taxed fuel”  
14 means taxable fuel (as such term is defined in section  
15 4083(a)(1)), other than aviation fuel, on which tax was  
16 imposed (and not credited or refunded) under section  
17 4081 of the Internal Revenue Code of 1986 before Janu-  
18 ary 1, 2020.

19           (c) QUALIFIED PERSON DEFINED.—For purposes of  
20 this section—

21           (1) IN GENERAL.—The term “qualified person”  
22 means a person who, on January 1, 2020, holds title  
23 to not less than 2,000 gallons of taxed fuel (other  
24 than fuel held in the tank of a motor vehicle or mo-  
25 torboat) held for sale.

1           (2) AGGREGATION RULE.—For purposes of the  
2           2,000 gallon requirement, all members of the same  
3           controlled group of corporations (within the meaning  
4           of section 267(f)) and all persons under common  
5           control (within the meaning of section 52(b) but de-  
6           termined by treating an interest of more than 50  
7           percent as a controlling interest) shall be treated as  
8           1 person.

9           (d) OTHER PROVISIONS OF LAW.—All provisions of  
10          law, including penalties, applicable with respect to the  
11          taxes imposed by section 4081 of the Internal Revenue  
12          Code of 1986 shall, insofar as applicable and not incon-  
13          sistent with the provisions of this section, apply with re-  
14          spect to the taxes imposed by subsection (a) to the same  
15          extent as if such taxes were imposed by such section 4081.

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