

104TH CONGRESS
1ST SESSION

S. 665

To amend the Internal Revenue Code of 1986 to increase motor fuel taxes by 8 cents a gallon, the resulting revenues to be used for mass transit, AMTRAK, and interstate, State, and local roads and bridges, and for other purposes.

IN THE SENATE OF THE UNITED STATES

APRIL 4 (legislative day, MARCH 27), 1995

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

A BILL

To amend the Internal Revenue Code of 1986 to increase motor fuel taxes by 8 cents a gallon, the resulting revenues to be used for mass transit, AMTRAK, and interstate, State, and local roads and bridges, 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. INCREASE IN MOTOR FUEL TAXES.**

4 (a) IN GENERAL.—Subparagraph (A) of section
5 4081(a)(2) of the Internal Revenue Code of 1986 (relating
6 to imposition of tax on gasoline and diesel fuel) is
7 amended—

1 (1) by striking "18.3 cents" and inserting
2 "26.3 cents", and

5 (b) TECHNICAL AMENDMENTS.—

6 (1) Subsection (c)(4)(A) of section 4081 of the
7 Internal Revenue Code of 1986 is amended—

10 (B) by striking "4.158 cents" both places
11 it appears and inserting "12.158 cents".

12 (C) by striking “3.078 cents” both places
13 it appears and inserting “11.078 cents”.

14 (D) by striking "6 cents" and inserting
15 "14 cents"

16 (E) by striking “4.62 cents” and inserting
17 “12 62 cents” and

18 (F) by striking "3.42 cents" and inserting
19 "11.42 cents"

22 (A) by striking “5.4 cents” and inserting
23 “13.4 cents” and

24 (B) by striking "6 cents" and inserting
25 "14 cents"

(A) by striking “5.4 cents” and inserting
“13.4 cents”, and

10 (5) Clauses (i) and (ii) of section
11 4041(m)(1)(A) of such Code are amended to read as
12 follows:

23 (A) by striking “14 cents” in subparagraph-
24 graph (A) and inserting “22 cents”, and

1 (B) by striking “20 cents” in subparagraph-
2 graph (B) and inserting “28 cents”.

7 (c) FLOOR STOCKS TAX.—

15 (2) LIABILITY FOR TAX AND METHOD OF PAY-
16 MENT.—

(B) METHOD OF PAYMENT.—The tax imposed by paragraph (1) shall be paid in such manner as the Secretary shall prescribe.

1 (C) TIME FOR PAYMENT.—The tax im-
2 posed by paragraph (1) shall be paid on or be-
3 fore December 31, 1995.

6 (A) HELD BY A PERSON.—Gasoline or die-
7 sel fuel shall be considered as “held by a per-
8 son” if title thereto has passed to such person
9 (whether or not delivery to the person has been
10 made).

11 (B) GASOLINE.—The term “gasoline” has
12 the meaning given such term by section 4082 of
13 such Code.

14 (C) DIESEL FUEL.—The term “diesel fuel”
15 has the meaning given such term by section
16 4092 of such Code.

17 (E) SECRETARY.—The term “Secretary”
18 means the Secretary of the Treasury or the
19 Secretary’s delegate.

9 (i) on gasoline held on October 1,
10 1995, by any person if the aggregate
11 amount of gasoline held by such person on
12 such date does not exceed 4,000 gallons,
13 and

14 (ii) on diesel fuel held on October 1,
15 1995, by any person if the aggregate
16 amount of diesel fuel held by such person
17 on such date does not exceed 2,000 gal-
18 lons.

19 The preceding sentence shall apply only if such
20 person submits to the Secretary (at the time
21 and in the manner required by the Secretary)
22 such information as the Secretary shall require
23 for purposes of this paragraph.

24 (B) EXEMPT FUEL.—For purposes of sub-
25 paragraph (A), there shall not be taken into ac-

1 count fuel held by any person which is exempt
2 from the tax imposed by paragraph (1) by rea-
3 son of paragraph (4) or (5).

4 (C) CONTROLLED GROUPS.—For purposes
5 of this paragraph—

6 (i) CORPORATIONS.—

7 (I) IN GENERAL.—All persons
8 treated as a controlled group shall be
9 treated as 1 person.

10 (II) CONTROLLED GROUP.—The
11 term “controlled group” has the
12 meaning given to such term by sub-
13 section (a) of section 1563 of such
14 Code; except that for such purposes
15 the phrase “more than 50 percent”
16 shall be substituted for the phrase “at
17 least 80 percent” each place it ap-
18 pears in such subsection.

19 (ii) NONINCORPORATED PERSONS
20 UNDER COMMON CONTROL.—Under regula-
21 tions prescribed by the Secretary, prin-
22 ciples similar to the principles of clause (i)
23 shall apply to a group of persons under
24 common control where 1 or more of such
25 persons is not a corporation.

1 (7) ARTICLES IN FOREIGN TRADE ZONES.—

2 Notwithstanding the Act of June 18, 1934 (48 Stat.
3 998, 19 U.S.C. 81a) and any other provision of law,
4 any article which is located in a foreign trade zone
5 on any tax-increase date shall be subject to the taxes
6 imposed by paragraph (1) if—

(B) such article is held on such date under the supervision of a customs officer pursuant to the 2d proviso of such section 3(a).

23 (d) USE OF RESULTING REVENUES.—

24 (1) MASS TRANSIT.—Paragraph (2) of section
25 9503(e) of the Internal Revenue Code of 1986 (re-

1 lating to establishment of mass transit account) is
2 amended by striking “2 cents” and inserting “4
3 cents”.

4 (2) AMTRAK AND INTERSTATE, STATE, AND LOCAL
5 ROADS AND BRIDGES.—Section 9503 of such Code (relat-
6 ing to highway trust fund) is amended by redesignating
7 subsection (f) as subsection (i) and by inserting after sub-
8 section (e) the following new subsections:

9 “(f) ESTABLISHMENT OF AMTRAK ACCOUNT.—

10 “(1) CREATION OF ACCOUNT.—There is estab-
11 lished in the Highway Trust Fund a separate ac-
12 count to be known as the ‘AMTRAK Account’ con-
13 sisting of such amounts as may be transferred or
14 credited to the AMTRAK Account as provided in
15 this subsection or section 9602(b).

16 “(2) TRANSFERS TO AMTRAK ACCOUNT.—The
17 Secretary of the Treasury shall transfer to the AM-
18 TRAK Account the AMTRAK portion of the
19 amounts appropriated to the Highway Trust Fund
20 under subsection (b) which are attributable to taxes
21 under sections 4041 and 4081 imposed after Sep-
22 tember 30, 1995. For purposes of the preceding sen-
23 tence, the term ‘AMTRAK portion’ means an
24 amount determined at the rate of 2 cents for each

1 gallon with respect to which tax was imposed under
2 section 4041 or 4081.

3 “(3) EXPENDITURES FROM ACCOUNT.—
4 Amounts in the AMTRAK Account shall be avail-
5 able, as provided by appropriation Acts, for making
6 capital or capital-related expenditures before October
7 1, 1997 (including capital expenditures for new
8 projects) for AMTRAK in accordance with section
9 24104 of title 49, United States Code, as in effect
10 on the date of the enactment of this subsection.

11 “(4) APPLICABLE RULES.—Rules similar to the
12 rules of paragraphs (4) and (5) shall be applied.

13 “(g) ESTABLISHMENT OF INTERSTATE AND FED-
14 ERAL-AID HIGHWAY ACCOUNT.—

15 “(1) CREATION OF ACCOUNT.—There is estab-
16 lished in the Highway Trust Fund a separate ac-
17 count to be known as the ‘Interstate and Federal-
18 Aid Highway Account’ consisting of such amounts
19 as may be transferred or credited to the Interstate
20 and Federal-Aid Highway Account as provided in
21 this subsection or section 9602(b).

22 “(2) TRANSFERS TO INTERSTATE AND FED-
23 ERAL-AID HIGHWAY ACCOUNT.—The Secretary of
24 the Treasury shall transfer to the Interstate and
25 Federal-Aid Highway Account the interstate and

1 Federal-aid highway portion of the amounts appro-
2 priated to the Highway Trust Fund under sub-
3 section (b) which are attributable to taxes under sec-
4 tions 4041 and 4081 imposed after September 30,
5 1995. For purposes of the preceding sentence, the
6 term 'interstate and Federal-aid highway portion'
7 means an amount determined at the rate of 2 cents
8 for each gallon with respect to which tax was im-
9 posed under section 4041 or 4081.

10 “(3) EXPENDITURES FROM ACCOUNT.—
11 Amounts in the Interstate and Federal-Aid Highway
12 Account shall be available, as provided by appropria-
13 tion Acts, for making capital or capital-related ex-
14 penditures before October 1, 1997 (including capital
15 expenditures for new projects) for the Dwight D. Ei-
16 senhower National System of Interstate and Defense
17 Highways and the Federal-Aid Highway System in
18 accordance with the Intermodal Surface Transpor-
19 tation Efficiency Act of 1991, as in effect on the
20 date of the enactment of this subsection.

21 “(4) APPLICABLE RULES.—Rules similar to the
22 rules of paragraphs (4) and (5) shall be applied.

23 “(h) ESTABLISHMENT OF STATE AND LOCAL ROADS
24 AND BRIDGES ACCOUNT.—

1 “(1) CREATION OF ACCOUNT.—There is estab-
2 lished in the Highway Trust Fund a separate ac-
3 count to be known as the ‘State and Local Roads
4 and Bridges Account’ consisting of such amounts as
5 may be transferred or credited to the State and
6 Local Roads and Bridges Account as provided in
7 this subsection or section 9602(b).

8 “(2) TRANSFERS TO STATE AND LOCAL ROADS
9 AND BRIDGES ACCOUNT.—The Secretary of the
10 Treasury shall transfer to the State and Local
11 Roads and Bridges Account the State and local
12 roads and bridges portion of the amounts appro-
13 priated to the Highway Trust Fund under sub-
14 section (b) which are attributable to taxes under sec-
15 tions 4041 and 4081 imposed after September 30,
16 1995. For purposes of the preceding sentence, the
17 term ‘State and local roads and bridges portion’
18 means an amount determined at the rate of 2 cents
19 for each gallon with respect to which tax was im-
20 posed under section 4041 or 4081.

21 “(3) EXPENDITURES FROM ACCOUNT.—
22 Amounts in the State and Local Roads and Bridges
23 Account shall be available, as provided by appropria-
24 tion Acts, for making capital or capital-related ex-
25 penditures before October 1, 1997 (including capital

1 expenditures for new projects) for any State or local
2 road or bridge project in accordance with the Inter-
3 modal Surface Transportation Efficiency Act of
4 1991, as in effect on the date of the enactment of
5 this subsection.

6 “(4) APPLICABLE RULES.—Rules similar to the
7 rules of paragraphs (4) and (5) shall be applied.”

8 (e) EFFECTIVE DATE.—The amendments made by
9 this section shall take effect on October 1, 1995.

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