

106TH CONGRESS  
1ST SESSION

# S. 1410

To amend the Internal Revenue Code of 1986 with respect to the treatment of certain air transportation.

---

IN THE SENATE OF THE UNITED STATES

JULY 21, 1999

Mr. STEVENS 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 with respect to the treatment of certain air transportation.

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. AMENDMENT OF THE INTERNAL REVENUE**

4 **CODE OF 1986.**

5 Subsection (j) of section 132 of the Internal Revenue  
6 Code of 1986 (relating to certain fringe benefits) is  
7 amended by adding at the end thereof the following new  
8 paragraph:

9 “(9) SPECIAL RULE FOR CERTAIN NONCOMMER-  
10 CIAL AIR TRANSPORTATION.—Notwithstanding any

1 other provision of this section, the term ‘no-addi-  
 2 tional-cost service’ includes the value of transpor-  
 3 tation provided to any person on a noncommercially  
 4 operated aircraft if—

5 “(A) such transportation is provided on a  
 6 flight made in the ordinary course of the trade  
 7 or business of the taxpayer owning or leasing  
 8 such aircraft for use in such trade or business;

9 “(B) the flight on which the transportation  
 10 is provided would have been made whether or  
 11 not such person was transported on the flight;  
 12 and

13 “(C) no substantial additional cost is in-  
 14 curred in providing such transportation to such  
 15 person.

16 For purposes of this paragraph, an aircraft is noncommer-  
 17 cially operated if transportation thereon is not provided  
 18 or made available to the general public by purchase of a  
 19 ticket or other fare.”.

20 **SEC. 2. EFFECTIVE DATE.**

21 The amendment made by section 1 shall take effect  
 22 on January 1, 2000.

○