

106TH CONGRESS  
2D SESSION

# H. R. 5128

To amend the Internal Revenue Code of 1986 to allow distilled spirits wholesalers a credit against income tax for their cost of carrying Federal excise taxes prior to the sale of the product bearing the tax.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 7, 2000

Mr. COLLINS (for himself and Mr. NEAL of Massachusetts) 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 allow distilled spirits wholesalers a credit against income tax for their cost of carrying Federal excise taxes prior to the sale of the product bearing the tax.

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: AMENDMENT OF 1986 CODE.**

4       (a) SHORT TITLE.—This Act may be cited as the  
5       “Domestic Spirits Tax Equity Act of 2000”.



1           “(1) IN GENERAL.—For purposes of this sec-  
2           tion, the average tax-financing cost per case for any  
3           calendar year is the amount of interest which would  
4           accrue at the deemed financing rate during a 60-day  
5           period on an amount equal to the deemed Federal  
6           excise per case.

7           “(2) DEEMED FINANCING RATE.—For purposes  
8           of paragraph (1), the deemed financing rate for any  
9           calendar year is the average of the corporate over-  
10          payment rates under paragraph (1) of section  
11          6621(a) (determined without regard to the last sen-  
12          tence of such paragraph) for calendar quarters of  
13          such year.

14          “(3) DEEMED FEDERAL EXCISE TAX BASED ON  
15          CASE OF 80 PROOF 750ML BOTTLES.—For purposes  
16          of paragraph (1), the deemed Federal excise tax per  
17          case is \$25.68.”

18          (b) CONFORMING AMENDMENTS.—

19                 (1) Subsection (b) of section 38 of such Code  
20                 is amended by striking “plus” at the end of para-  
21                 graph (11), by striking the period at the end of  
22                 paragraph (12) and inserting “, plus”, and by add-  
23                 ing at the end the following new paragraph:

24                         “(13) in the case of an eligible wholesaler (as  
25                         defined in section 5011(b)), the distilled spirits

1 wholesaler credit determined under section  
2 5011(a).”

3 (2) Subsection (d) of section 39 of such Code  
4 (relating to carryback and carryforward of unused  
5 credits) is amended by adding at the end the fol-  
6 lowing new paragraph:

7 “(9) NO CARRYBACK OF SECTION 5011 CREDIT  
8 BEFORE JANUARY 1, 2001.—No portion of the un-  
9 used business credit for any taxable year which is  
10 attributable to the credit determined under section  
11 5011(a) may be carried back to a taxable year be-  
12 ginning before January 1, 2001.”.

13 (3) The table of sections for subpart A of part  
14 I of subchapter A of chapter 51 of such Code is  
15 amended by adding at the end the following new  
16 item:

“Sec. 5011. Income tax credit for wholesaler’s average cost of car-  
rying excise tax.”.

17 (c) EFFECTIVE DATE.—The amendments made by  
18 this section shall apply to taxable years beginning after  
19 December 31, 2000.

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