

107TH CONGRESS  
1ST SESSION

# S. 1404

To amend the Internal Revenue Code of 1986 to modify the small refiner exception to the oil depletion deduction.

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IN THE SENATE OF THE UNITED STATES

SEPTEMBER 5, 2001

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

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## A BILL

To amend the Internal Revenue Code of 1986 to modify the small refiner exception to the oil depletion deduction.

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. DETERMINATION OF SMALL REFINER EXCEP-**  
4 **TION TO OIL DEPLETION DEDUCTION.**

5 (a) IN GENERAL.—Paragraph (4) of section 613A(d)  
6 of the Internal Revenue Code of 1986 (relating to certain  
7 refiners excluded) is amended to read as follows:

8 “(4) CERTAIN REFINERS EXCLUDED.—If the  
9 taxpayer or a related person engages in the refining  
10 of crude oil, subsection (c) shall not apply to the

1 taxpayer for a taxable year if the average daily refin-  
2 ery runs of the taxpayer and the related person for  
3 the taxable year exceed 75,000 barrels. For purposes  
4 of this paragraph, the average daily refinery runs for  
5 any taxable year shall be determined by dividing the  
6 aggregate refinery runs for the taxable year by the  
7 number of days in the taxable year.”.

8 (b) EFFECTIVE DATE.—The amendment made by  
9 this section shall apply to taxable years beginning after  
10 December 31, 2001.

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