

109TH CONGRESS  
1ST SESSION

# H. R. 2924

To amend the Internal Revenue Code of 1986 to reduce motor fuel excise taxes during periods of high fuel prices.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 15, 2005

Mr. HASTINGS of Florida (for himself, Mr. MOORE of Kansas, and Mr. OWENS) 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 reduce motor fuel excise taxes during periods of high fuel prices.

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 “Gas Price Spike Relief  
5 Act of 2005”.

6 **SEC. 2. TEMPORARY 4.3-CENT REDUCTION IN CERTAIN**  
7 **FUEL TAX RATES.**

8 (a) IN GENERAL.—Section 4081 of the Internal Rev-  
9 enue Code of 1986 (relating to imposition of tax on motor

1 and aviation fuels) is amended by adding at the end the  
2 following new subsection:

3 “(f) TEMPORARY 4.3-CENT REDUCTION IN CERTAIN  
4 FUEL TAX RATES.—

5 “(1) IN GENERAL.—During a temporary rate  
6 reduction period with respect to any taxable fuel, the  
7 rate of tax referred to in paragraph (2) otherwise  
8 applicable to such fuel shall be reduced (but not  
9 below zero) by 4.3 cents per gallon.

10 “(2) RATES OF TAX.—The rates of tax referred  
11 to in this paragraph are—

12 “(A) each rate of tax under subsection  
13 (a)(2)(A) (relating to gasoline and diesel fuel),

14 “(B) each rate of tax under paragraph (1)  
15 or (2) of section 4041(a) (relating to diesel fuel  
16 and special fuels), and

17 “(C) the rate of tax under section  
18 4041(m)(1)(A) (relating to certain methanol or  
19 ethanol fuels).

20 “(3) COMPARABLE TREATMENT FOR COM-  
21 PRESSED NATURAL GAS.—No tax shall be imposed  
22 by section 4041(a)(3) on any sale or use during a  
23 temporary rate reduction period with respect to gas-  
24 oline.

1           “(4) COMPARABLE TREATMENT UNDER CER-  
2 TAIN REFUND RULES.—In the case of fuel on which  
3 tax is imposed during a temporary rate reduction  
4 period, each of the comparable rates otherwise appli-  
5 cable under sections 6421(f)(3)(B)(ii),  
6 6427(b)(2)(A), and 6427(l)(3)(B)(ii) shall be re-  
7 duced (but not below zero) by 4.3 cents per gallon.

8           “(5) TEMPORARY RATE REDUCTION PERIOD.—  
9 For purposes of this subsection—

10           “(A) IN GENERAL.—The term ‘temporary  
11 rate reduction period’ means, with respect to  
12 any taxable fuel, any period of months (as de-  
13 termined by the Secretary) during which the  
14 motor fuel price index for such fuel is 10 per-  
15 cent greater than such index for the base  
16 month.

17           “(B) BASE MONTH.—The term ‘base  
18 month’ means, with respect to any period, the  
19 last month before such period.

20           “(C) MOTOR FUEL PRICE INDEX.—The  
21 term ‘motor fuel price index’ means—

22           “(i) HIGHWAY MOTOR FUEL.—In the  
23 case of fuel other than aviation-grade ker-  
24 osene, the index comprised of the motor

1 fuel price component of the Consumer  
2 Price Index (as defined in section 1(f)(5)).

3 “(ii) AVIATION-GRADE KEROSENE.—

4 In the case of aviation-grade kerosene, the  
5 index comprised of the average monthly  
6 price of such kerosene (for end users) as  
7 published by the Energy Information Ad-  
8 ministration of the Department of Energy.

9 “(D) DATA.—The motor fuel price index  
10 for any month which is taken into account for  
11 purposes of this subsection shall be such index  
12 for the 2d preceding month.

13 “(6) TRUST FUNDS HELD HARMLESS.—  
14 Amounts appropriated to the Highway Trust Fund  
15 and the Airport and Airways Trust Fund shall be  
16 determined as if this subsection had never been en-  
17 acted.”.

18 (b) EFFECTIVE DATE.—The amendment made by  
19 this section shall take effect on the date of the enactment  
20 of this Act.

21 **SEC. 3. FLOOR STOCKS REFUNDS.**

22 (a) IN GENERAL.—If—

23 (1) before the first day of any temporary rate  
24 reduction period, tax has been imposed under section

1 4081 of the Internal Revenue Code of 1986 on any  
2 liquid, and

3 (2) on such first day such liquid is held by a  
4 dealer and has not been used and is intended for  
5 sale,

6 there shall be credited or refunded (without interest) to  
7 the person who paid such tax (hereafter in this section  
8 referred to as the “taxpayer”) an amount equal to the ex-  
9 cess of the tax paid by the taxpayer over the amount of  
10 such tax which would be imposed on such liquid had the  
11 taxable event occurred on such date.

12 (b) TIME FOR FILING CLAIMS.—No credit or refund  
13 shall be allowed or made under this section with respect  
14 to any temporary rate reduction period unless—

15 (1) claim therefor is filed with the Secretary of  
16 the Treasury before the date which is 6 months  
17 after the first day of such period, based on a request  
18 submitted to the taxpayer before the date which is  
19 3 months after such first day, by the dealer who  
20 held the liquid on such first day, and

21 (2) the taxpayer has repaid or agreed to repay  
22 the amount so claimed to such dealer or has ob-  
23 tained the written consent of such dealer to the al-  
24 lowance of the credit or the making of the refund.

1 (c) EXCEPTION FOR FUEL HELD IN RETAIL  
2 STOCKS.—No credit or refund shall be allowed under this  
3 section with respect to any liquid in retail stocks held at  
4 the place where intended to be sold at retail.

5 (d) DEFINITIONS.—For purposes of this section—

6 (1) IN GENERAL.—The terms “dealer” and  
7 “held by a dealer” have the respective meanings  
8 given to such terms by section 6412 of such Code.

9 (2) TEMPORARY RATE REDUCTION PERIOD.—  
10 The term “temporary rate reduction period” has the  
11 meaning given to such term by section 4081(f)(5) of  
12 such Code.

13 (e) CERTAIN RULES TO APPLY.—Rules similar to the  
14 rules of subsections (b) and (c) of section 6412 of such  
15 Code shall apply for purposes of this section.

16 **SEC. 4. FLOOR STOCKS TAX.**

17 (a) IMPOSITION OF TAX.—In the case of taxable fuel  
18 on which tax was imposed under section 4081 of the Inter-  
19 nal Revenue Code of 1986 during any temporary rate re-  
20 duction period, and which is held on the first day after  
21 such period by any person, there is hereby imposed a floor  
22 stocks tax of 4.3 cents per gallon.

23 (b) LIABILITY FOR TAX AND METHOD OF PAY-  
24 MENT.—

1           (1) LIABILITY FOR TAX.—A person holding tax-  
2           able fuel on the first day after a temporary rate re-  
3           duction period to which the tax imposed by sub-  
4           section (a) applies shall be liable for such tax.

5           (2) METHOD OF PAYMENT.—The tax imposed  
6           by subsection (a) shall be paid in such manner as  
7           the Secretary shall prescribe.

8           (3) TIME FOR PAYMENT.—The tax imposed by  
9           subsection (a) shall be paid on or before the date  
10          which is 3 months after the close of the temporary  
11          rate reduction period to which such tax relates.

12          (c) DEFINITIONS.—For purposes of this section—

13           (1) TEMPORARY RATE REDUCTION PERIOD.—  
14           The term “temporary rate reduction period” has the  
15           meaning given to such term by section 4081(f)(5) of  
16           such Code.

17           (2) HELD BY A PERSON.—Fuel shall be consid-  
18           ered as held by a person if title thereto has passed  
19           to such person (whether or not delivery to the per-  
20           son has been made).

21           (3) TAXABLE FUEL.—The term “taxable fuel”  
22           has the meaning given to such term by section 4083  
23           of such Code.

24           (4) SECRETARY.—The term “Secretary” means  
25           the Secretary of the Treasury or his delegate.

1 (d) EXCEPTION FOR EXEMPT USES.—The tax im-  
2 posed by subsection (a) shall not apply to taxable fuel held  
3 by any person exclusively for any use to the extent a credit  
4 or refund of the tax imposed by section 4081 of such Code  
5 is allowable for such use.

6 (e) EXCEPTION FOR FUEL HELD IN VEHICLE  
7 TANK.—No tax shall be imposed by subsection (a) on tax-  
8 able fuel held in the tank of a motor vehicle or motorboat.

9 (f) EXCEPTION FOR CERTAIN AMOUNTS OF FUEL.—  
10 (1) IN GENERAL.—No tax shall be imposed by  
11 subsection (a)—

12 (A) on gasoline held on the first day after  
13 any temporary rate reduction period, by any  
14 person if the aggregate amount of gasoline held  
15 by such person on such date does not exceed  
16 4,000 gallons, and

17 (B) on diesel fuel held on such first day by  
18 any person if the aggregate amount of diesel  
19 fuel held by such person on such date does not  
20 exceed 2,000 gallons.

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

1           (2) EXEMPT FUEL.—For purposes of para-  
2 graph (1), there shall not be taken into account fuel  
3 held by any person which is exempt from the tax im-  
4 posed by subsection (a) by reason of subsection (d)  
5 or (e).

6           (3) CONTROLLED GROUPS.—For purposes of  
7 this section—

8           (A) CORPORATIONS.—

9           (i) IN GENERAL.—All persons treated  
10 as a controlled group shall be treated as 1  
11 person.

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

19           (B) NONINCORPORATED PERSONS UNDER  
20 COMMON CONTROL.—Under regulations pre-  
21 scribed by the Secretary, principles similar to  
22 the principles of subparagraph (A) shall apply  
23 to a group of persons under common control  
24 where 1 or more of such persons is not a cor-  
25 poration.

1       (g) OTHER LAWS APPLICABLE.—All provisions of  
2 law, including penalties, applicable with respect to the  
3 taxes imposed by section 4081 of such Code shall, insofar  
4 as applicable and not inconsistent with the provisions of  
5 this subsection, apply with respect to the floor stock taxes  
6 imposed by subsection (a) to the same extent as if such  
7 taxes were imposed by such section 4081.

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