

109TH CONGRESS  
1ST SESSION

# S. 688

To amend the Internal Revenue Code of 1986 to clarify the excise tax exemptions for aerial applicators of fertilizers or other substances.

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IN THE SENATE OF THE UNITED STATES

APRIL 4, 2005

Mr. COCHRAN (for himself, Mrs. LINCOLN, and Mr. LUGAR) 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 clarify the excise tax exemptions for aerial applicators of fertilizers or other substances.

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. CLARIFICATION OF EXCISE TAX EXEMPTIONS**  
4 **FOR AGRICULTURAL AERIAL APPLICATORS.**

5 (a) NO WAIVER BY FARM OWNER, TENANT, OR OP-  
6 ERATOR NECESSARY.—Subparagraph (B) of section  
7 6420(c)(4) of the Internal Revenue Code of 1986 (relating  
8 to certain farming use other than by owner, etc.) is  
9 amended to read as follows:

1           “(B) if the person so using the gasoline is  
2           an aerial or other applicator of fertilizers or  
3           other substances and is the ultimate purchaser  
4           of the gasoline, then subparagraph (A) of this  
5           paragraph shall not apply and the aerial or  
6           other applicator shall be treated as having used  
7           such gasoline on a farm for farming purposes.”.

8           (b) EXEMPTION INCLUDES FUEL USED BETWEEN  
9 AIRFIELD AND FARM.—Section 6420(c)(4) of the Internal  
10 Revenue Code of 1986, as amended by subsection (a), is  
11 amended by adding at the end the following new flush sen-  
12 tence:

13           “For purposes of this paragraph, in the case of an  
14           aerial applicator, gasoline shall be treated as used on  
15           a farm for farming purposes if the gasoline is used  
16           for the direct flight between the airfield and 1 or  
17           more farms.”.

18           (c) EXEMPTION FROM TAX ON AIR TRANSPOR-  
19 TATION OF PERSONS FOR FORESTRY PURPOSES EX-  
20 TENDED TO FIXED-WING AIRCRAFT.—Subsection (f) of  
21 section 4261 of the Internal Revenue Code of 1986 (relat-  
22 ing to tax on air transportation of persons) is amended  
23 to read as follows:

1       “(f) EXEMPTION FOR CERTAIN USES.—No tax shall  
2 be imposed under subsection (a) or (b) on air transpor-  
3 tation—

4           “(1) by helicopter for the purpose of trans-  
5 porting individuals, equipment, or supplies in the ex-  
6 ploration for, or the development or removal of, hard  
7 minerals, oil, or gas, or

8           “(2) by helicopter or by fixed-wing aircraft for  
9 the purpose of the planting, cultivation, cutting, or  
10 transportation of, or caring for, trees (including log-  
11 ging operations), but only if the helicopter or fixed-  
12 wing aircraft does not take off from, or land at, a  
13 facility eligible for assistance under the Airport and  
14 Airway Development Act of 1970, or otherwise use  
15 services provided pursuant to section 44509 or  
16 44913(b) or subchapter I of chapter 471 of title 49,  
17 United States Code, during such use. In the case of  
18 helicopter transportation described in paragraph (1),  
19 this subsection shall be applied by treating each  
20 flight segment as a distinct flight.”.

21       (d) EFFECTIVE DATE.—The amendments made by  
22 this section shall apply to fuel use or air transportation  
23 after the date of the enactment of this Act.

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