

103^D CONGRESS
1ST SESSION

H. R. 2974

To amend the Internal Revenue Code of 1986 to establish a Disaster Relief Trust Fund to provide at least a portion of the funding for Federal disaster programs and to provide for revenues and other funds to be deposited into such Trust Fund.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 6, 1993

Mr. MINGE introduced the following bill; which was referred jointly to the Committees on Ways and Means, Small Business, Public Works and Transportation, and Agriculture

A BILL

To amend the Internal Revenue Code of 1986 to establish a Disaster Relief Trust Fund to provide at least a portion of the funding for Federal disaster programs and to provide for revenues and other funds to be deposited into such Trust Fund.

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 “Disaster Relief Trust
5 Fund Act of 1993”.

1 **SEC. 2. DISASTER RELIEF TRUST FUND.**

2 (a) IN GENERAL.—Subchapter A of chapter 98 of the
3 Internal Revenue Code of 1986 (relating to trust fund
4 code) is amended by adding at the end thereof the follow-
5 ing new section:

6 **“SEC. 9512. DISASTER RELIEF TRUST FUND.**

7 “(a) CREATION OF TRUST FUND.—There is estab-
8 lished in the Treasury of the United States a trust fund
9 to be known as the ‘Disaster Relief Trust Fund’, consist-
10 ing of such amounts as may be appropriated, credited, or
11 transferred to such Trust Fund as provided in this section,
12 section 9602(b), or other provision of law.

13 “(b) TRANSFERS TO TRUST FUND.—

14 “(1) IN GENERAL.—There are hereby appro-
15 priated to the Disaster Relief Trust Fund amounts
16 equivalent to the sum of—

17 “(A) the net revenues received in the
18 Treasury from the Disaster Relief Trust Fund
19 fuel taxes, and

20 “(B) the revenues received in the Treasury
21 from the taxes imposed by sections 59B and
22 59C (relating to disaster relief surtaxes).

23 “(2) DISASTER RELIEF TRUST FUND FUEL
24 TAXES.—For purposes of this section, the term ‘Dis-
25 aster Relief Trust Fund fuel taxes’ means taxes im-
26 posed by sections 4041, 4081, and 4091 to the ex-

1 tent attributable to the Disaster Relief Trust Fund
2 financing rate under such sections.

3 “(3) NET REVENUES.—For purposes of para-
4 graph (1), the term ‘net revenues’ means the
5 amount estimated by the Secretary based on the ex-
6 cess of—

7 “(A) the Disaster Relief Trust Fund fuel
8 taxes, over

9 “(B) the decrease in the tax imposed by
10 chapter 1 resulting from such taxes.

11 “(c) EXPENDITURES FROM TRUST FUND.—Amounts
12 in the Disaster Relief Trust Fund shall be available only
13 for purposes of making expenditures to carry out the
14 following:

15 “(1) The Robert T. Stafford Disaster Relief
16 and Emergency Assistance Act.

17 “(2) Sections 5(e), 7(b)(1), 7(b)(2), and 7(m)
18 of the Small Business Act.

19 “(3) Subtitle C of the Consolidated Farm and
20 Rural Development Act.

21 “(4) The emergency crop loss assistance pro-
22 gram of the Department of Agriculture conducted
23 under the terms and conditions contained in chapter
24 3 of subtitle B of title XXII of the Food, Agri-
25 culture, Conservation, and Trade Act of 1990 (Pub-

1 lic Law 101–624; 7 U.S.C. 1421 note) or any suc-
2 cessor to such program.

3 “(5) Watershed and flood protection activities
4 conducted by the Soil Conservation Service and con-
5 servation and environmental restoration activities
6 conducted by the Agricultural Stabilization and Con-
7 servation Service, as specified by the Secretary of
8 Agriculture.

9 “(6) Other disaster relief programs, as specified
10 by the Director of the Federal Emergency Manage-
11 ment Agency.

12 The amount available for any fiscal year under any provi-
13 sion referred to in the preceding sentence shall be the
14 amount specified by the Director of the Federal Emer-
15 gency Management Agency.

16 “(d) AUTHORITY TO BORROW.—

17 “(1) IN GENERAL.—There are hereby appro-
18 priated to the Disaster Relief Trust Fund as repay-
19 able advances such sums as the Director of the Fed-
20 eral Emergency Management Agency determines
21 necessary to carry out the purposes of such Trust
22 Fund.

23 “(2) LIMITATION ON AMOUNT OUTSTANDING.—
24 The maximum aggregate amount of repayable ad-
25 vances to the Disaster Relief Trust Fund which is

1 outstanding at any one time shall not exceed an
2 amount equal to $\frac{1}{3}$ of the revenues that the Sec-
3 retary estimates will be received by such Trust Fund
4 during the following fiscal year.

5 “(3) REPAYMENT OF ADVANCES.—

6 “(A) IN GENERAL.—Advances made to the
7 Disaster Relief Trust Fund shall be repaid, and
8 interest on such advances shall be paid, to the
9 general fund of the Treasury when the Sec-
10 retary determines that moneys are available for
11 such purposes in such Fund.

12 “(B) RATE OF INTEREST.—Interest on ad-
13 vances made pursuant to this subsection shall
14 be at a rate determined by the Secretary (as of
15 the close of the calendar month preceding the
16 month in which the advance is made) to be
17 equal to the current average market yield on
18 outstanding marketable obligations of the Unit-
19 ed States with remaining periods to maturity
20 comparable to the anticipated period during
21 which the advance will be outstanding and shall
22 be compounded annually.

23 “(e) TRANSFERS FROM TRUST FUND FOR CERTAIN
24 REPAYMENTS AND CREDITS.—

1 “(1) IN GENERAL.—The Secretary shall pay
2 from time to time from the Disaster Relief Trust
3 Fund into the general fund of the Treasury amounts
4 equivalent to—

5 “(A) the payments under sections 6420,
6 6421, and 6427, and

7 “(B) the credits allowed under section 34,
8 to the extent such payments and credits are attrib-
9 utable to the Disaster Relief Trust Fund financing
10 rate.

11 “(2) TRANSFERS BASED ON ESTIMATES.—
12 Transfers under paragraph (1) shall be made on the
13 basis of estimates by the Secretary, and proper ad-
14 justments shall be made in amounts subsequently
15 transferred to the extent prior estimates were in ex-
16 cess of or less than the amounts required to be
17 transferred.”

18 (b) CLERICAL AMENDMENT.—The table of sections
19 for such subchapter A is amended by adding at the end
20 thereof the following new item:

 “Sec. 9512. Disaster Relief Trust Fund.”

21 **SEC. 3. INCREASE IN TAXES ON MOTOR FUELS FOR DISAS-**
22 **TER RELIEF TRUST FUND.**

23 (a) GASOLINE.—

1 (1) IN GENERAL.—Subparagraph (A) of section
2 4081(a)(2) of the Internal Revenue Code of 1986
3 (relating to rate of tax) is amended—

4 (A) by striking “and” at the end of clause
5 (ii),

6 (B) by striking the period at the end of
7 clause (iii) and inserting “, and”, and

8 (C) by adding at the end thereof the fol-
9 lowing new clause:

10 “(iv) the Disaster Relief Trust Fund
11 financing rate.”

12 (2) RATES OF TAX.—Subparagraph (B) of sec-
13 tion 4081(a)(2) of such Code is amended—

14 (A) by striking “and” at the end of clause
15 (ii),

16 (B) by striking the period at the end of
17 clause (iii) and inserting “, and”, and

18 (C) by adding at the end thereof the fol-
19 lowing new clause:

20 “(iv) the Disaster Relief Trust Fund
21 financing rate is 2 cents a gallon.”

22 (3) GASOLINE USED IN NONCOMMERCIAL AVIA-
23 TION.—Paragraph (3) of section 4041(c) of such
24 Code is amended by striking “15 cents a gallon”
25 and inserting “the sum of 15 cents per gallon plus

1 the Disaster Relief Trust Fund financing rate (if
2 any) in effect under section 4081”.

3 (b) DIESEL FUEL.—

4 (1) Clause (i) of section 4091(b)(1)(A) of such
5 Code is amended by striking “and the diesel fuel
6 deficit reduction rate” and inserting “, the diesel
7 fuel deficit reduction rate, and the Disaster Relief
8 Trust Fund financing rate”.

9 (2) Subsection (b) of section 4091 of such Code
10 is amended by redesignating paragraphs (5) and (6)
11 as paragraphs (6) and (7), respectively, and by in-
12 serting after paragraph (4) the following new para-
13 graph:

14 “(5) DISASTER RELIEF TRUST FUND FINANC-
15 ING RATE.—For purposes of paragraph (1), except
16 as provided in subsection (c), the Disaster Relief
17 Trust Fund financing rate is the Disaster Relief
18 Trust Fund financing rate (if any) in effect under
19 section 4081.”

20 (3)(A) Subparagraph (A) of section 4093(c)(2)
21 of such Code is amended—

22 (i) by inserting “AND DISASTER RELIEF
23 TAXES” after “TAXES” in the heading, and

1 (ii) by inserting “and the Disaster Relief
2 Trust Fund financing rate” after “financing
3 rate”.

4 (B) Paragraph (3) of section 6427(l) of such
5 Code is amended—

6 (i) by inserting “AND DISASTER RELIEF
7 TAX” after “TAX” in the heading, and

8 (ii) by inserting “and the Disaster Relief
9 Trust Fund financing rate” after “financing
10 rate”.

11 (c) AVIATION FUEL.—Clause (ii) of section
12 4091(b)(1)(A) of such Code is amended by inserting “and
13 the Disaster Relief Trust Fund financing rate” after “fi-
14 nancing rate”.

15 (d) SPECIAL MOTOR FUELS.—The last sentence of
16 paragraph (2) of section 4041(a) of such Code is amended
17 by striking “and the deficit reduction rate” and inserting
18 “, the deficit reduction rate, and the Disaster Relief Trust
19 Fund financing rate”.

20 (e) SUSPENSION OF TAXES IF DISASTER RELIEF
21 TRUST FUND ADEQUATELY FUNDED.—Subsection (d) of
22 section 4081 of such Code is amended by adding at the
23 end thereof the following new paragraph:

24 “(4) DISASTER RELIEF TRUST FUND FINANC-
25 ING RATE.—The Disaster Relief Trust Fund financ-

1 of the tax imposed under section 1 for such taxable year
2 (determined without regard to this section).

3 “(b) MINIMUM TAX.—In the case of an individual,
4 the amount of the tentative minimum tax determined
5 under section 55 for any taxable year shall be increased
6 by the surtax percentage of the tentative minimum tax for
7 such taxable year (determined without regard to this sec-
8 tion).

9 “(c) SURTAX TO APPLY TO ESTATES AND TRUSTS.—
10 For purposes of this section, the term ‘individual’ includes
11 any estate or trust taxable under section 1.

12 “(d) COORDINATION WITH OTHER PROVISIONS.—
13 The provisions of this section—

14 “(1) shall be applied after the application of
15 section 1(h), but

16 “(2) before the application of any other provi-
17 sion of this title which refers to the amount of the
18 tax imposed by section 1 or 55, as the case may be.

19 **“Subpart B—Corporate Taxpayers**

“Sec. 59C. Imposition of surtax.

20 **“SEC. 59C. IMPOSITION OF SURTAX.**

21 “(a) NORMAL CORPORATE TAX.—

22 “(1) IN GENERAL.—In the case of a corpora-
23 tion, the amount of the tax imposed under section
24 11 for any taxable year shall be increased by the

1 surtax percentage of the amount of the tax imposed
2 under section 11 for such taxable year (determined
3 without regard to this section).

4 “(2) TREATMENT OF CERTAIN TAXES.—For
5 purposes of paragraph (1), a tax shall be treated as
6 imposed under section 11 if the amount of such tax
7 is determined by reference to the provisions of sec-
8 tion 11 (or by reference to any rate contained there-
9 in).

10 “(b) MINIMUM TAX.—In the case of a corporation,
11 the amount of the tentative minimum tax determined
12 under section 55 for any taxable year shall be increased
13 by the surtax percentage of the amount of the tentative
14 minimum tax for such taxable year (determined without
15 regard to this section).

16 “(c) COORDINATION WITH OTHER PROVISIONS.—
17 The provisions of this section shall be applied—

18 “(1) after the application of section 1201 and
19 801(a)(2), but

20 “(2) before the application of any other provi-
21 sion of this title which refers to the amount of tax
22 imposed by section 11 or 55, as the case may be.

23 **“Subpart C—General Provisions**

“Sec. 59D. Termination; definitions and special rules.

1 **“SEC. 59D. TERMINATION; DEFINITIONS AND SPECIAL**
2 **RULES.**

3 “(a) TERMINATION.—The taxes imposed by this part
4 shall not apply to any taxable year beginning in a calendar
5 year during which the Disaster Relief Trust Fund financ-
6 ing rate under section 4081 does not apply.

7 “(b) SURTAX PERCENTAGE.—For purposes of this
8 part, the term ‘surtax percentage’ means, with respect to
9 taxable years beginning in a calendar year, the percentage
10 determined by the Secretary for such calendar year which
11 the Secretary estimates will, when added to all other pro-
12 jected sources of revenue for the trust fund, provide the
13 Disaster Relief Trust Fund from taxable years beginning
14 in such calendar year with \$4,000,000,000 in revenue.

15 “(c) SECTION 15 NOT TO APPLY.—Section 15 shall
16 not apply to any change in rates under this part.

17 “(d) ADJUSTMENT TO APPLICATION OF CERTAIN
18 PROVISIONS.—

19 “(1) DIVIDENDS PAID ON CERTAIN PREFERRED
20 STOCK.—In computing for a taxable year of a cor-
21 poration the fractions described in sections
22 244(a)(2) and 247(a)(2), the denominator shall,
23 under regulations prescribed by the Secretary, be in-
24 creased to reflect the provisions of this part.

25 “(2) SHAREHOLDERS OF REGULATED INVEST-
26 MENT COMPANIES.—In computing the adjustment to

1 basis described in section 852(b)(3)(D)(iii), the per-
2 centage set forth therein shall be adjusted, under
3 regulations prescribed by the Secretary, to reflect
4 the provisions of this part.”

5 (b) CLERICAL AMENDMENT.—The table of parts for
6 subchapter A of chapter 1 of such Code is amended by
7 adding at the end thereof the following new item:

“Part VIII. Tax surcharge for disaster relief.”

8 (c) EFFECTIVE DATE.—The amendments made by
9 this section shall apply to taxable years beginning after
10 December 31, 1993.

11 **SEC. 5. TRANSFER OF FUNDS OF THE COMMODITY CREDIT**
12 **CORPORATION TO THE DISASTER RELIEF**
13 **TRUST FUND.**

14 (a) SURPLUS CROP LOSS ASSISTANCE.—

15 (1) TRANSFER REQUIRED.—From funds appro-
16 priated or otherwise made available to provide emer-
17 gency crop loss assistance during a fiscal year pur-
18 suant the terms and conditions contained in chapter
19 3 of subtitle B of title XXII of the Food, Agri-
20 culture, Conservation, and Trade Act of 1990 (Pub-
21 lic Law 101–624; 7 U.S.C. 1421 note) or any suc-
22 cessor to such chapter, the Secretary of Agriculture
23 shall transfer to the Disaster Relief Trust Fund es-
24 tablished in section 9512 of the Internal Revenue
25 Code of 1986 all such funds that are unobligated at

1 the end of that fiscal year and that the Secretary de-
2 termines are not required to complete operations of
3 the crop loss assistance program for that fiscal year.

4 (2) TIME FOR TRANSFER.—The Secretary shall
5 make any transfer required by this subsection as
6 soon as possible after the end of the fiscal year in-
7 volved.

8 (b) SURPLUS PRICE SUPPORT FUNDS.—

9 (1) TRANSFER REQUIRED.—If the Secretary of
10 Agriculture determines that expenditures to provide
11 price support for an agricultural commodity under
12 the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.)
13 for a fiscal year are reduced as a consequence of an
14 increase in the price of the commodity directly relat-
15 ed to crop losses resulting from damaging weather
16 or other disaster, the Secretary shall transfer to the
17 Disaster Relief Trust Fund established in section
18 9512 of the Internal Revenue Code of 1986 an
19 amount equal to—

20 (A) the difference between the price sup-
21 port expenditures that the Secretary estimates
22 would otherwise have been made with respect to
23 that commodity during that fiscal year in the
24 absence of such price increase; and

1 (B) the amount of the expenditures actu-
2 ally made with respect to that commodity.

3 (2) TIME FOR DETERMINATION.—The Sec-
4 retary shall make a determination under this sub-
5 section for an agricultural commodity whenever the
6 Secretary provides crop loss assistance with respect
7 to that commodity pursuant to the terms and condi-
8 tions contained in chapter 3 of subtitle B of title
9 XXII of the Food, Agriculture, Conservation, and
10 Trade Act of 1990 (Public Law 101–624; 7 U.S.C.
11 1421 note) or any successor to such chapter.

12 (3) TIME FOR TRANSFER.—The Secretary shall
13 make any transfer required by this subsection as
14 soon as possible after the end of the fiscal year in-
15 volved.

16 (c) LIMITATION ON TRANSFERS.—No amount may
17 be transferred under this section to the extent such trans-
18 fer would increase the unobligated balance in the Disaster
19 Relief Trust Fund to an amount in excess of the limitation
20 of section 4081(d)(4) of the Internal Revenue Code of
21 1986.

22 **SEC. 6. REPORT TO CONGRESS.**

23 (a) IN GENERAL.—Not later than 1 year after the
24 date of the enactment of this Act, the Director of the Fed-
25 eral Emergency Management Agency shall transmit to

1 Congress a report on insurance programs which provide
2 coverage for losses due to disasters of the types that have
3 been the subject of Presidential disaster declarations in
4 the last 25 years.

5 (b) CONTENTS.—The report to be transmitted under
6 subsection (a) shall contain the following:

7 (1) A description of Federal and private insur-
8 ance programs which provide coverage for losses due
9 to such disasters.

10 (2) A description of the availability of insurance
11 under such programs.

12 (3) An analysis of the need for additional insur-
13 ance programs to provide coverage for losses due to
14 disasters and recommendations on what role, if any,
15 the Federal Government should perform in establish-
16 ing and maintaining such insurance.

17 (4) An analysis of the effect of establishing
18 such additional insurance programs on revenue lev-
19 els required for maintenance of the Disaster Trust
20 Fund.

21 (5) Recommendations for legislative and admin-
22 istrative programs to reduce losses due to disasters,
23 including the anticipated cost and effectiveness of
24 such programs.



HR 2974 IH—2