

103^D CONGRESS
1ST SESSION

H. R. 3386

To amend the Internal Revenue Code of 1986 to delay the effective date for the change in the point of imposition of the tax on diesel fuel, to provide that vendors of diesel fuel used for any nontaxable use may claim refunds on behalf of the ultimate users, and to provide a similar rule for vendors of gasoline used by State and local governments.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 27, 1993

Mr. MCCRERY (for himself, Mr. BOEHLERT, Mr. CRAPO, Mr. JEFFERSON, Mr. OBERSTAR, Mr. WOLF, Mr. PAYNE of Virginia, and Mr. COMBEST) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to delay the effective date for the change in the point of imposition of the tax on diesel fuel, to provide that vendors of diesel fuel used for any nontaxable use may claim refunds on behalf of the ultimate users, and to provide a similar rule for vendors of gasoline used by State and local governments.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. DELAY IN EFFECTIVE DATE FOR CHANGE IN**
2 **POINT OF IMPOSITION OF TAX ON DIESEL**
3 **FUEL.**

4 (a) IN GENERAL.—Subsection (e) of section 13242
5 of the Revenue Reconciliation Act of 1993 is amended to
6 read as follows:

7 “(e) EFFECTIVE DATE.—The amendments made by
8 this section shall take effect on the earlier of—

9 “(1) July 1, 1994, or

10 “(2) the 60th day after the date that final reg-
11 ulations are prescribed to carry out such amend-
12 ments.

13 In no event shall such amendments take effect before Jan-
14 uary 1, 1994.”

15 (b) CONFORMING AMENDMENTS TO FLOOR STOCKS
16 TAX.—

17 (1) Section 13243 of such Act is amended by
18 striking “January 1, 1994” each place it appears
19 and inserting “the effective date”.

20 (2) Paragraph (1) of section 13243(a) of such
21 Act is amended by striking “December 31, 1993”
22 and inserting “the day before the effective date”.

23 (3) Paragraph (3) of section 13243(c) of such
24 Act is amended by striking “July 31, 1993” and in-
25 sserting “the last day of the 6th month beginning
26 after the effective date”.

1 (4) Subsection (d) of section 13243 of such Act
2 is amended by adding at the end thereof the follow-
3 ing new paragraph:

4 “(3) EFFECTIVE DATE.—The term ‘effective
5 date’ means the date on which the amendments
6 made by section 13242 of this Act take effect.”

7 **SEC. 2. EXPANSION OF VENDOR REFUND PROCEDURES**
8 **WITH RESPECT TO DIESEL FUEL.**

9 (a) IN GENERAL.—Subsection (l) of section 6427 of
10 the Internal Revenue Code of 1986 (relating to nontaxable
11 uses of diesel fuel and aviation fuel) is amended by strik-
12 ing paragraph (5), by redesignating paragraphs (2), (3),
13 and (4) as paragraphs (3), (4), and (5), respectively, and
14 by striking paragraph (1) and inserting the following new
15 paragraphs:

16 “(1) DIESEL FUEL.—Except as otherwise pro-
17 vided in this subsection and in subsection (k), if—

18 “(A) any diesel fuel on which tax has been
19 imposed by section 4041 or 4081 is sold for use
20 by any person in a nontaxable use, and

21 “(B) the ultimate vendor of such fuel—

22 “(i) is registered under section 4101,
23 and

1 “(ii) meets the requirements of sub-
2 paragraph (A), (B), or (D) of section
3 6416(a)(1),

4 the Secretary shall pay (without interest) to such ul-
5 timate vendor an amount equal to the aggregate
6 amount of tax imposed on such fuel under section
7 4041 or 4081, as the case may be.

8 “(2) AVIATION FUEL.—Except as otherwise
9 provided in this subsection and in subsection (k), if
10 any aviation fuel on which tax has been imposed by
11 section 4091 is used by any person in a nontaxable
12 use, the Secretary shall pay (without interest) to the
13 ultimate purchaser of such fuel an amount equal to
14 the aggregate amount of tax imposed on such fuel
15 under section 4091.”

16 (b) CONFORMING AMENDMENTS.—

17 (1) Subparagraph (A) of section 6427(i)(5) of
18 such Code (relating to special rule for vendor re-
19 funds) is amended by striking “subsection (l)(5)”
20 each place it appears and inserting “subsection
21 (l)(1)”.

22 (2) Paragraph (5) of section 6427(l) of such
23 Code, as redesignated by subsection (a), is amended
24 by striking “paragraph (1)” and inserting “para-
25 graph (2)”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall take effect as if included in the amend-
3 ments made by section 13242 of the Revenue Reconcili-
4 ation Act of 1993.

5 **SEC. 3. VENDOR REFUNDS ON GASOLINE SOLD TO STATE**
6 **AND LOCAL GOVERNMENTS.**

7 (a) IN GENERAL.—Subsection (c) of section 6421 of
8 the Internal Revenue Code of 1986 (relating to gasoline
9 used for certain exempt purposes) is amended to read as
10 follows:

11 “(c) EXEMPT PURPOSES.—

12 “(1) IN GENERAL.—If gasoline is sold to any
13 person for any purpose described in paragraph (2),
14 (3), or (5) of section 4221(a), the Secretary shall
15 pay (without interest) to such person an amount
16 equal to the product of the number of gallons of gas-
17 oline so sold multiplied by the rate at which tax was
18 imposed on such gasoline by section 4081.

19 “(2) SALES TO STATE AND LOCAL GOVERN-
20 MENTS.—

21 “(A) IN GENERAL.—If—

22 “(i) gasoline on which tax has been
23 imposed by section 4081 is sold to a State
24 or local government for the exclusive use of
25 a State or local government, and

1 “(ii) the ultimate vendor of such
2 fuel—

3 “(I) is registered under section
4 4101, and

5 “(II) meets the requirements of
6 subparagraph (A), (B), or (D) of sec-
7 tion 6416(a)(1),

8 the Secretary shall pay (without interest) to
9 such ultimate vendor an amount equal to the
10 product of the number of gallons of gasoline so
11 sold multiplied by the rate at which tax was im-
12 posed on such gasoline by section 4081.

13 “(B) PAYMENT OF CLAIM.—Notwithstand-
14 ing subparagraph (A), if the Secretary has not
15 paid a claim payable under this paragraph with-
16 in 20 days after the date such claim is filed,
17 such claim shall be paid with interest from such
18 date, determined by using the overpayment rate
19 and method under section 6621.”

20 (b) EFFECTIVE DATE.—The amendments made by
21 this section shall take effect as if included in the amend-
22 ments made by section 13242 of the Revenue Reconcili-
23 ation Act of 1993.

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