

103^D CONGRESS
2^D SESSION

H. R. 4371

To amend the Internal Revenue Code of 1986 to permit tax-free sales of diesel fuel for use in diesel-powered motorboats and to allow dyed diesel fuel to be sold for such use, or so used, without penalty.

IN THE HOUSE OF REPRESENTATIVES

MAY 10, 1994

Mr. HOYER (for himself, Mr. STUDDS, Mr. YOUNG of Alaska, Mr. TAUZIN, Mr. BATEMAN, Mr. HOCHBRUECKNER, Mr. SAXTON, Mr. REED, Mr. COBLE, Mr. GILCHREST, Mr. ACKERMAN, and Ms. DELAURO) 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 permit tax-free sales of diesel fuel for use in diesel-powered motorboats and to allow dyed diesel fuel to be sold for such use, or so used, without penalty.

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. MODIFICATION OF TAX PROVISIONS RELATING**
4 **TO DIESEL FUEL SOLD FOR USE OR USED IN**
5 **DIESEL-POWERED MOTORBOATS.**

6 (a) TAX-FREE SALES.—Subsection (b) of section
7 4082 of the Internal Revenue Code of 1986 (relating to

1 exemptions for diesel fuel), as added by section 13242 of
2 the Omnibus Budget Reconciliation Act of 1993, is
3 amended by striking “and” at the end of paragraph (2),
4 by striking the period at the end of paragraph (3) and
5 inserting “, and”, and by adding at the end the following
6 new paragraph:

7 “(4) any use in a diesel-powered motorboat.”

8 (b) PENALTY-FREE TAXABLE SALE OR USE OF
9 DYED DIESEL FUEL.—

10 (1) IN GENERAL.—Section 6714 of such Code
11 (relating to dyed fuel sold for use or used in taxable
12 use, etc.), as added by section 13242 of the Omni-
13 bus Budget Reconciliation Act of 1993, is amended
14 by redesignating subsections (c) and (d) as sub-
15 sections (d) and (e), respectively, and by inserting
16 after subsection (b) the following new subsection:

17 “(c) EXCEPTION.—No penalty shall be imposed
18 under subsection (a) on any person who—

19 “(1) sells or holds for sale dyed fuel for use in,
20 or uses dyed fuel in, any diesel-powered motorboat,
21 and

22 “(2) pays the tax imposed on such sale or use
23 under section 4041(a)(1)(A).”

24 (2) NONTAXABLE USE.—Paragraph (2) of sec-
25 tion 6714(d) of such Code, as redesignated by para-

1 graph (1), is amended by inserting “paragraphs (1),
2 (2), and (3) of” before “section”.

3 (3) TECHNICAL AMENDMENTS.—

4 (A) Part II of subchapter B of chapter 68
5 of the Internal Revenue Code of 1986 is
6 amended by redesignating section 6714 (relat-
7 ing to dyed fuel sold for use or used in taxable
8 use, etc.), as added by section 13242(b)(1) of
9 the Omnibus Budget Reconciliation Act of
10 1993, as section 6715.

11 (B) The table of sections for such part is
12 amended by redesignating the item relating to
13 section 6714 (relating to dyed fuel sold for use
14 or used in taxable use, etc.), as added by sec-
15 tion 13242(b)(2) of such Act, as section 6715.

16 (c) EFFECTIVE DATES.—

17 (1) TAX-FREE SALES.—The amendment made
18 by subsection (a) shall take effect on the date of the
19 enactment of this Act.

20 (2) PENALTY-FREE SALES.—The amendments
21 made by subsection (b) shall take effect as if in-
22 cluded in the amendments made by section 13242 of
23 the Omnibus Budget Reconciliation Act of 1993.

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