

103^D CONGRESS
1ST SESSION

H. R. 838

To amend the Internal Revenue Code of 1986 to impose a fee on the importation of crude oil or refined petroleum products.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 4, 1993

Mr. JEFFERSON 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 impose a fee on the importation of crude oil or refined petroleum products.

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 “Energy Security Tax
5 Act”.

6 **SEC. 2. FEE ON IMPORTED CRUDE OIL OR REFINED PETRO-**
7 **LEUM PRODUCTS.**

8 (a) IN GENERAL.—Subtitle E of the Internal Reve-
9 nue Code of 1986 (relating to alcohol, tobacco, and certain

1 other excise taxes) is amended by adding at the end there-
 2 of the following new chapter:

3 **“CHAPTER 55—IMPORTED CRUDE OIL, RE-**
 4 **FINED PETROLEUM PRODUCTS, AND**
 5 **PETROCHEMICAL FEEDSTOCKS OR**
 6 **DERIVATIVES**

“Sec. 5886. Imposition of tax.

“Sec. 5887. Definitions.

“Sec. 5888. Registration.

“Sec. 5889. Procedures; returns; penalties.

“Sec. 5890. Adjustment for inflation.

7 **“SEC. 5886. IMPOSITION OF TAX.**

8 “(a) IMPOSITION OF TAX.—In addition to any other
 9 tax imposed under this title, an excise tax is hereby im-
 10 posed on—

11 “(1) the first sale within the United States of—

12 “(A) any crude oil,

13 “(B) any refined petroleum product, or

14 “(C) any petrochemical feedstock or petro-
 15 chemical derivative,

16 that has been imported into the United States, and

17 “(2) the use within the United States of—

18 “(A) any crude oil,

19 “(B) any refined petroleum product, or

20 “(C) any petrochemical feedstock or petro-
 21 chemical derivative,

1 that has been imported into the United States if no
2 tax has been imposed with respect to such crude oil
3 or refined petroleum product prior to such use.

4 “(b) RATE OF TAX.—

5 “(1) CRUDE OIL.—For purposes of paragraphs
6 (1)(A) and (2)(A) of subsection (a) the rate of tax
7 shall be the excess, if any, of—

8 “(A) \$25 per barrel, over

9 “(B) the most recently published average
10 price of a barrel of internationally traded oil.

11 “(2) REFINED PETROLEUM PRODUCT.—For
12 purposes of paragraphs (1)(B) and (2)(B) of sub-
13 section (a), the rate of tax shall be the excess, if
14 any, of—

15 “(A) \$27.50 per barrel, over

16 “(B) the most recently published average
17 price of a barrel of internationally traded oil.

18 “(3) PETROCHEMICAL FEEDSTOCK OR PETRO-
19 CHEMICAL DERIVATIVE.—For purposes of para-
20 graphs (1)(C) and (2)(C) of subsection (a), the rate
21 of tax shall be equal to the rate of tax determined
22 under paragraph (2) of this subsection, except that
23 ‘barrel equivalent of crude oil feedstocks used in the
24 manufacture of such petrochemical feedstocks or pe-

1 trochemical derivative’ shall be substituted for ‘bar-
2 rel’ in paragraph (2)(A) of this subsection.

3 “(4) FRACTIONAL PARTS OF BARRELS.—In the
4 case of a fraction of a barrel, the tax imposed by
5 subsection (a) shall be the same fraction of the
6 amount of such tax imposed on the whole barrel.

7 “(c) DETERMINATION OF AVERAGE PRICE.—

8 “(1) IN GENERAL.—For purposes of this sec-
9 tion, the average price of internationally traded oil
10 with respect to any week during which the tax under
11 subsection (a) is imposed shall be determined by the
12 Secretary and published in the Federal Register on
13 the first day of such week.

14 “(2) BASIS OF DETERMINATION.—For purposes
15 of paragraph (1), the Secretary, after consultation
16 with the Administrator of the Energy Information
17 Administration of the Department of Energy, shall
18 determine the average price of internationally traded
19 oil for the preceding 4 weeks, pursuant to the for-
20 mula for determining such international price as is
21 used in publishing the Weekly Petroleum Status Re-
22 port and as is in effect on the date of enactment of
23 this section.

24 “(d) LIABILITY FOR PAYMENT OF TAX.—

1 “(1) SALES.—The taxes imposed by subsection
2 (a)(1) shall be paid by the first person who sells the
3 crude oil, refined petroleum product, petrochemical
4 feedstock, or petrochemical derivative within the
5 United States.

6 “(2) USE.—The taxes imposed by subsection
7 (a)(2) shall be paid by the person who uses the
8 crude oil, refined petroleum product, petrochemical
9 feedstock, or petrochemical derivative.

10 **“SEC. 5887. DEFINITIONS.**

11 “For purposes of this chapter—

12 “(1) CRUDE OIL.—The term ‘crude oil’ means
13 crude oil other than crude oil produced from a well
14 located in the United States or a possession of the
15 United States.

16 “(2) BARREL.—The term ‘barrel’ means 42
17 United States gallons.

18 “(3) REFINED PETROLEUM PRODUCT.—The
19 term ‘refined petroleum product’ shall have the same
20 meaning given to such term by section 3(5) of the
21 Emergency Petroleum Allocation Act of 1973 (15
22 U.S.C. 752(5)).

23 “(4) EXPORT.—The terms ‘export’ and ‘ex-
24 ported’ include shipment to a possession of the
25 United States.

1 **“SEC. 5888. REGISTRATION.**

2 “Every person subject to tax under section 5886
3 shall, before incurring any liability for tax under such sec-
4 tion, register with the Secretary.

5 **“SEC. 5889. PROCEDURES; RETURNS; PENALTIES.**

6 “For purposes of this title, any reference to the tax
7 imposed by section 5886 shall be treated, except to the
8 extent provided by the Secretary by regulation where such
9 treatment would be inappropriate, in the same manner as
10 the tax imposed by section 4986 was treated immediately
11 before its repeal by the Omnibus Trade and Competitive-
12 ness Act of 1988.”.

13 **“SEC. 5890. ADJUSTMENT FOR INFLATION.**

14 “The \$25 per barrel price referred to in section
15 5886(b)(1) and the \$27.50 per barrel price referred to in
16 section 5886(b)(2) shall be changed during any calendar
17 year after 1993 by the percentage if any by which the
18 Consumer Price Index changed during the preceding cal-
19 endar year, as defined in section (1)(f)(4) of title 26 of
20 the United States Code.”.

21 (b) CONFORMING AMENDMENT.—The table of chap-
22 ters for subtitle E is amended by adding at the end thereof
23 the following new item:

“CHAPTER 55. Imported crude oil, refined petroleum products,
and petrochemical feedstocks or derivatives.”.

1 (c) DEDUCTIBILITY OF IMPORTED OIL TAX.—The
2 first sentence of section 164(a) (relating to deductions for
3 taxes) is amended by inserting after paragraph (5) the fol-
4 lowing new paragraph:

5 “(6) The imported oil taxes imposed by section
6 5886.”.

7 (d) EFFECTIVE DATE.—The amendments made by
8 this section shall apply with respect to sales and uses of
9 imported crude oil, imported refined petroleum products,
10 petrochemical feedstocks, or petrochemical derivatives on
11 or after the date of enactment of this Act.

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