

104<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 1083

To amend the Internal Revenue Code of 1986 to promote travel and tourism.

---

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 28, 1995

Mr. ROTH 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 promote  
travel and tourism.

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 “Travel and Tourism  
5 Relief Act of 1995”.

6 **SEC. 2. CERTAIN TRAVEL AGENTS NOT TREATED AS EM-**  
7 **PLOYEES.**

8 (a) IN GENERAL.—Subsection (a) of section 3508 of  
9 the Internal Revenue Code of 1986 (relating to treatment  
10 of real estate agents and direct sellers) is amended by

1 striking “or as a direct seller” and inserting “, as a direct  
2 seller, or as a qualified travel agent”.

3 (b) QUALIFIED TRAVEL AGENT.—Subsection (b) of  
4 section 3508 of such Code is amended by redesignating  
5 paragraph (3) as paragraph (4) and by inserting after  
6 paragraph (2) the following new paragraph:

7 “(3) QUALIFIED TRAVEL AGENT.—The term  
8 ‘qualified travel agent’ means any individual if—

9 “(A) such individual is providing services  
10 for—

11 “(i) a travel agency appointed by 1 or  
12 more commercial airlines, or

13 “(ii) a travel agency affiliated with  
14 the Cruise Lines International Association  
15 (CLIA),

16 “(B) substantially all of the remuneration  
17 (whether or not paid in cash) for the services  
18 performed by such individual as a travel agent  
19 is directly related to sales or other output (in-  
20 cluding the performance of services) rather  
21 than to the number of hours worked, and

22 “(C) the services performed by the individ-  
23 ual are performed pursuant to a written con-  
24 tract between such individual and the person  
25 for whom the services are performed and such

1 contract provides that the individual will not be  
2 treated as an employee with respect to such  
3 services for Federal tax purposes.”

4 (c) CLERICAL AMENDMENTS.—

5 (1) The section heading of section 3508 of such  
6 Code is amended by striking “**AND DIRECT SELL-**  
7 **ERS**” and inserting “, **DIRECT SELLERS, AND**  
8 **TRAVEL AGENTS**”.

9 (2) The table of sections for chapter 25 is  
10 amended by striking “and direct sellers” in the item  
11 relating to section 3508 and inserting “, direct sell-  
12 ers, and travel agents”.

13 (d) EFFECTIVE DATE.—The amendments made by  
14 this section shall apply to services performed after the  
15 date of the enactment of this Act.

16 **SEC. 3. INCREASE IN AMOUNT OF DEDUCTION FOR BUSI-**  
17 **NESS MEALS AND ENTERTAINMENT.**

18 (a) GENERAL RULE.—Paragraph (1) of section  
19 274(n) of the Internal Revenue Code of 1986 (relating to  
20 only 50 percent of meal and entertainment expenses al-  
21 lowed as deduction) is amended by striking “50 percent”  
22 and inserting “80 percent”.

23 (b) CONFORMING AMENDMENT.—The subsection  
24 heading for section 274(n) of such Code is amended by  
25 striking “50” and inserting “80”.

1 (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to amounts paid or incurred after  
3 the date of the enactment of this Act.

4 **SEC. 4. REPEAL OF SCHEDULED INCREASE IN TAX ON FUEL**  
5 **USED IN COMMERCIAL AVIATION.**

6 (a) IN GENERAL.—The first sentence of section  
7 4092(b) of the Internal Revenue Code of 1986 (relating  
8 to exemptions) is amended by striking “is attributable  
9 to—” and all that follows and inserting “is attributable  
10 to the Leaking Underground Storage Tank Trust Fund  
11 financing rate imposed by such section.”

12 (b) CONFORMING AMENDMENTS.—

13 (1) Paragraph (4) of section 6427(l) of such  
14 Code is amended by striking “is attributable to—”  
15 and all that follows and inserting “is attributable to  
16 the Leaking Underground Storage Tank Trust Fund  
17 financing rate imposed by such section.”

18 (2) Section 13245 of the Omnibus Budget Rec-  
19 onciliation Act of 1993 is hereby repealed.

20 (c) EFFECTIVE DATE.—The amendments made by  
21 this section shall take effect on September 30, 1995.

22 **SEC. 5. DEDUCTION FOR PROMOTION OF TOURISM IN THE**  
23 **UNITED STATES.**

24 (a) IN GENERAL.—Section 162 of the Internal Reve-  
25 nue Code of 1986 (relating to trade or business expenses)

1 is amended by redesignating subsection (o) as subsection  
2 (p) and by inserting after subsection (n) the following new  
3 subsection:

4 “(o) EXPENSES PROMOTING TOURISM IN THE UNIT-  
5 ED STATES.—In the case of a taxpayer engaged in a trade  
6 or business, there shall be allowed as a deduction under  
7 this section any amount paid or incurred to promote tour-  
8 ism to the United States by individuals who are not resi-  
9 dents of the United States. The preceding sentence shall  
10 apply only to amounts which are not otherwise allowable  
11 as a deduction under this chapter.”

12 (b) EFFECTIVE DATE.—The amendment made by  
13 this section shall apply to amounts paid or incurred after  
14 the date of the enactment of this Act.

15 **SEC. 6. DEDUCTION ALLOWED FOR CONVENTIONS ON FOR-**  
16 **EIGN-FLAGGED CRUISE SHIPS.**

17 (a) IN GENERAL.—The first sentence of paragraph  
18 (2) of section 274(h) of the Internal Revenue Code of  
19 1986 (relating to attendance at conventions, etc.) is  
20 amended by striking “business and that—” and all that  
21 follows and inserting “business.”.

22 (b) EFFECTIVE DATE.—The amendment made by  
23 this section shall apply to cruises beginning after the date  
24 of the enactment of this Act.

○