

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

INTERNAL REVENUE CODE OF 1986

Subtitle A—Income Taxes

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CHAPTER 1—NORMAL TAXES AND SURTAXES

\* \* \* \* \*

Subchapter A—Determination of Tax Liability

\* \* \* \* \*

PART IV—CREDITS AGAINST TAX

\* \* \* \* \*

Subpart D—Business Related Credits

\* \* \* \* \*

SEC. 40. ALCOHOL USED AS FUEL.

(a) \* \* \*

\* \* \* \* \*

[(c) COORDINATION WITH EXEMPTION FROM EXCISE TAX.—The amount of the credit determined under this section with respect to any alcohol shall, under regulations prescribed by the Secretary, be properly reduced to take into account any benefit provided with respect to such alcohol solely by reason of the application of subsection (b)(2), (k), or (m) of section 4041, section 4081(c), or section 4091(c).]

(c) COORDINATION WITH EXCISE TAX BENEFITS.—The amount of the credit determined under this section with respect to any alcohol shall, under regulations prescribed by the Secretary, be properly reduced to take into account the benefit provided with respect to such alcohol under section 6427(f).

(d) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

(1) \* \* \*

\* \* \* \* \*

(4) VOLUME OF ALCOHOL.—For purposes of determining—  
(A) \* \* \*

(B) **[under section 4041(k) or 4081(c)]** *under section 6427(f)* the percentage of any mixture which consists of alcohol, the volume of alcohol shall include the volume of any denaturant (including gasoline) which is added under any formulas approved by the Secretary to the extent that such denaturants do not exceed 5 percent of the volume of such alcohol (including denaturants).

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**Subtitle D—Miscellaneous Excise Taxes**

\* \* \* \* \*

**CHAPTER 31—RETAIL EXCISE TAXES**

\* \* \* \* \*

**Subchapter B—Special Fuels**

\* \* \* \* \*

**SEC. 4041. IMPOSITION OF TAX.**

(a) **DIESEL FUEL AND SPECIAL MOTOR FUELS.—**

(1) **TAX ON DIESEL FUEL AND KEROSENE IN CERTAIN CASES.—**

(A) \* \* \*

(B) **EXEMPTION FOR PREVIOUSLY TAXED FUEL.—**No tax shall be imposed by this paragraph on the sale or use of any liquid if tax was imposed on such liquid under section 4081 and the tax thereon was not credited or refunded. *This subparagraph shall not apply to aviation-grade kerosene.*

\* \* \* \* \*

**[(b) EXEMPTION FOR OFF-HIGHWAY BUSINESS USE; REDUCTION IN TAX FOR QUALIFIED METHANOL AND ETHANOL FUEL.—**

**[(1) EXEMPTION FOR OFF-HIGHWAY BUSINESS USE**

**[(A) IN GENERAL.—**No tax shall be imposed by subsection (a) or (d)(1) on liquids sold for use or used in an off-highway business use.

**[(B) TAX WHERE OTHER USE.—**If a liquid on which no tax was imposed by reason of subparagraph (A) is used otherwise than in an off-highway business use, a tax shall be imposed by paragraph (1)(B), (2)(B), or (3)(A)(ii) of subsection (a) (whichever is appropriate) and by the corresponding provision of subsection (d)(1) (if any).

**[(C) OFF-HIGHWAY BUSINESS USE DEFINED.—**For purposes of this subsection, the term “off-highway business use” has the meaning given to such term by section 6421(e)(2); except that such term shall not, for purposes of subsection (a)(1), include use in a diesel-powered train.

**[(2) QUALIFIED METHANOL AND ETHANOL FUEL**

[(A) IN GENERAL.—In the case of any qualified methanol or ethanol fuel—

[(i) the rate applicable under subsection (a)(2) shall be the applicable blender rate per gallon less than the otherwise applicable rate (6 cents per gallon in the case of a mixture none of the alcohol in which consists of ethanol), and

[(ii) subsection (d)(1) shall be applied by substituting “0.05 cent” for “0.1 cent” with respect to the sales and uses to which clause (i) applies.

[(B) QUALIFIED METHANOL OR ETHANOL FUEL.—The term “qualified methanol or ethanol fuel” means any liquid at least 85 percent of which consists of methanol, ethanol, or other alcohol produced from a substance other than petroleum or natural gas.

[(C) APPLICABLE BLENDER RATE.—For purposes of subparagraph (A)(i), the applicable blender rate is—

[(i) except as provided in clause (ii), 5.4 cents, and

[(ii) for sales or uses during calendar years 2001 through 2007, 1/10 of the blender amount applicable under section 40(h)(2) for the calendar year in which the sale or use occurs.

[(D) TERMINATION.—On and after October 1, 2007, subparagraph (A) shall not apply.

[(c) NONCOMMERCIAL AVIATION.—

[(1) TAX ON NONGASOLINE FUELS WHERE NO TAX IMPOSED ON FUEL UNDER SECTION 4091.—There is hereby imposed a tax upon kerosene and any other liquid (other than any product taxable under section 4081)—

[(A) sold by any person to an owner, lessee, or other operator of an aircraft, for use as a fuel in such aircraft in noncommercial aviation; or

[(B) used by any person as a fuel in an aircraft in noncommercial aviation, unless there was a taxable sale of such liquid under this section.

The rate of the tax imposed by this paragraph shall be the rate of tax specified in section 4091(b)(1) which is in effect at the time of such sale or use. No tax shall be imposed by this paragraph on the sale or use of any liquid if there was a taxable sale of such liquid under section 4091.

[(2) DEFINITION OF NONCOMMERCIAL AVIATION.—For purposes of this chapter, the term “noncommercial aviation” means any use of an aircraft, other than use in a business of transporting persons or property for compensation or hire by air. The term also includes any use of an aircraft, in a business described in the preceding sentence, which is properly allocable to any transportation exempt from the taxes imposed by sections 4261 and 4271 by reason of section 4281 or 4282 or by reason of section 4261(h).

[(3) TERMINATION.—The rate of the taxes imposed by paragraph (1) shall be 4.3 cents per gallon—

[(A) after December 31, 1996, and before the date which is 7 days after the date of the enactment of the Air-

port and Airway Trust Fund Tax Reinstatement Act of 1997, and

[(B) after September 30, 2007.]

(b) EXEMPTION FOR OFF-HIGHWAY BUSINESS USE.—

(1) IN GENERAL.—No tax shall be imposed by subsection (a) or (d)(1) on liquids sold for use or used in an off-highway business use.

(2) TAX WHERE OTHER USE.—If a liquid on which no tax was imposed by reason of paragraph (1) is used otherwise than in an off-highway business use, a tax shall be imposed by paragraph (1)(B), (2)(B), or (3)(A)(ii) of subsection (a) (whichever is appropriate) and by the corresponding provision of subsection (d)(1) (if any).

(3) OFF-HIGHWAY BUSINESS USE DEFINED.—For purposes of this subsection, the term “off-highway business use” has the meaning given to such term by section 6421(e)(2); except that such term shall not, for purposes of subsection (a)(1), include use in a diesel-powered train.

(c) AVIATION-GRADE KEROSENE.—

(1) IN GENERAL.—There is hereby imposed a tax upon aviation-grade kerosene—

(A) sold by any person to an owner, lessee, or other operator of an aircraft for use in such aircraft, or

(B) used by any person in an aircraft unless there was a taxable sale of such fuel under subparagraph (A).

(2) EXEMPTION FOR PREVIOUSLY TAXED FUEL.—No tax shall be imposed by this subsection on the sale or use of any aviation-grade kerosene if tax was imposed on such liquid under section 4081 and the tax thereon was not credited or refunded.

(3) RATE OF TAX.—The rate of tax imposed by this subsection shall be the rate of tax specified in section 4081(a)(2)(A)(iv) which is in effect at the time of such sale or use.

(d) ADDITIONAL TAXES TO FUND LEAKING UNDERGROUND STORAGE TANK TRUST FUND.—

(1) \* \* \*

(2) LIQUIDS USED IN AVIATION.—In addition to the taxes imposed by subsection (c), there is hereby imposed a tax of 0.1 cent a gallon on any liquid (other than gasoline (as defined in section 4083)—

(A) \* \* \*

\* \* \* \* \*

No tax shall be imposed by this paragraph on the sale or use of any liquid if there was a taxable sale of such liquid under [section 4091] section 4081.

\* \* \* \* \*

[(e) ADDITIONAL TAX.—If a liquid on which tax was imposed on the sale thereof is taxable at a higher rate under subsection (c)(1) of this section on the use thereof, there is hereby imposed a tax equal to the difference between the tax so imposed and the tax payable at such higher rate.]

\* \* \* \* \*

[(i) REGISTRATION.—If any liquid is sold by any person for use as a fuel in an aircraft, it shall be presumed for purposes of this section that a tax imposed by this section applies to the sale of such liquid unless the purchaser is registered in such manner (and furnishes such information in respect of the use of the liquid) as the Secretary shall by regulations provide.]

\* \* \* \* \*

[(k) FUELS CONTAINING ALCOHOL.—

[(1) IN GENERAL.—Under regulations prescribed by the Secretary, in the case of the sale or use of any liquid at least 10 percent of which consists of alcohol (as defined in section 4081(c)(3))—

[(A) the rates under paragraphs (1) and (2) of subsection (a) shall be the comparable rates under section 4081(c), and

[(B) the rate of the tax imposed by subsection (c)(1) shall be the comparable rate under section 4091(c).

[(2) LATER SEPARATION.—If any person separates the liquid fuel from a mixture of the liquid fuel and alcohol to which paragraph (1) applied, such separation shall be treated as a sale of the liquid fuel. Any tax imposed on such sale shall be reduced by the amount (if any) of the tax imposed on the sale of such mixture.

[(3) TERMINATION.—Paragraph (1) shall not apply to any sale or use after September 30, 2007.]

\* \* \* \* \*

**Subchapter C—Heavy Trucks and Trailers**

\* \* \* \* \*

**SEC. 4053. EXEMPTIONS.**

No tax shall be imposed by section 4051 on any of the following articles:

(1) \* \* \*

\* \* \* \* \*

(8) *MOBILE MACHINERY.—Any vehicle which consists of a chassis—*

*(A) to which there has been permanently mounted (by welding, bolting, riveting, or other means) machinery or equipment to perform a construction, manufacturing, processing, farming, mining, drilling, timbering, or similar operation if the operation of the machinery or equipment is unrelated to transportation on or off the public highways,*

*(B) which has been specially designed to serve only as a mobile carriage and mount (and a power source, where applicable) for the particular machinery or equipment involved, whether or not such machinery or equipment is in operation, and*

*(C) which, by reason of such special design, could not, without substantial structural modification, be used as a component of a vehicle designed to perform a function of transporting any load other than that particular machinery*

*or equipment or similar machinery or equipment requiring such a specially designed chassis.*

**CHAPTER 32—MANUFACTURERS EXCISE TAXES**

\* \* \* \* \*

**Subchapter A—Automotive and Related Items**

\* \* \* \* \*

**PART II—TIRES**

Sec. 4071. Imposition of tax.

\* \* \* \* \*

**[Sec. 4073. Exemption for tires with internal wire fastening.]**  
*Sec. 4073. Exemptions.*

\* \* \* \* \*

**SEC. 4071. IMPOSITION OF TAX.**

**[(a) IMPOSITION AND RATE OF TAX.—**There is hereby imposed on tires of the type used on highway vehicles, if wholly or in part made of rubber, sold by the manufacturer, producer, or importer a tax at the following rates:

<b>[(If the tire weighs:</b>	<b>The rate of tax is:</b>
Not more than 40 lbs.	No tax.
More than 40 lbs. but not more than 70 lbs.	15 cents per lb. in excess of 40 lbs.
More than 70 lbs. but not more than 90 lbs.	\$4.50 plus 30 cents per in excess of 70 lbs.
More than 90 lbs.	\$10.50 plus 50 cents per lb. in excess of 90 lbs.]

*(a) IMPOSITION AND RATE OF TAX.—There is hereby imposed on taxable tires sold by the manufacturer, producer, or importer thereof a tax at the rate of 9.4 cents (4.7 cents in the case of a biasply tire) for each 10 pounds so much of the maximum rated load capacity thereof as exceeds 3,500 pounds.*

\* \* \* \* \*

**[(c) DETERMINATION OF WEIGHT.—**For purposes of this section, weight shall be based on total weight exclusive of metal rims or rim bases. Total weight of the articles shall be determined under regulations prescribed by the Secretary.]

**[(e)] (c) TIRES ON IMPORTED ARTICLES.—**For the purposes of subsection (a), if an article imported into the United States is equipped with tires—

(1) \* \* \*

\* \* \* \* \*

**SEC. 4072. DEFINITIONS.**

*(a) TAXABLE TIRE.—For purposes of this chapter, the term “taxable tire” means any tire of the type used on highway vehicles if*

*wholly or in part made of rubber and if marked pursuant to Federal regulations for highway use.*

**[(a)] (b) RUBBER.**—For purposes of this chapter, the term “rubber” includes synthetic and substitute rubber.

**[(b)] (c) TIRES OF THE TYPE USED ON HIGHWAY VEHICLES.**—For purposes of this part, the term “tires of the type used on highway vehicles” means tires of the type used on—

- (1) motor vehicles which are highway vehicles, or
- (2) vehicles of the type used in connection with motor vehicles which are highway vehicles.

*Such term shall not include tires of a type used exclusively on vehicles described in section 4053(8).*

**[SEC. 4073. EXEMPTION FOR TIRES WITH INTERNAL WIRE FASTENING.**

**[The tax imposed by section 4071 shall not apply to tires of extruded tiring with an internal wire fastening agent.]**

**SEC. 4073. EXEMPTIONS.**

*The tax imposed by section 4071 shall not apply to tires sold for the exclusive use of the Department of Defense or the Coast Guard.*

**PART III—PETROLEUM PRODUCTS**

**[Subpart A. Gasoline.**

**[Subpart B. Diesel fuel and aviation fuel.**

**[Subpart C. Special provisions applicable to petroleum products.]**

*Subpart A. Motor and aviation fuels.*

*Subpart B. Special provisions applicable to fuels tax.*

**[Subpart A—Gasoline and Diesel Fuel]**

***Subpart A—Motor and Aviation Fuels***

**SEC. 4081. IMPOSITION OF TAX.**

(a) TAX IMPOSED.—

(1) TAX ON REMOVAL, ENTRY, OR SALE.—

(A) \* \* \*

(B) EXEMPTION FOR BULK TRANSFERS TO REGISTERED TERMINALS OR REFINERIES.—The tax imposed by this paragraph shall not apply to any removal or entry of a taxable fuel transferred in bulk *by pipeline or vessel* to a terminal or refinery if the person removing or entering the taxable fuel, *the operator of such pipeline or vessel*, and the operator of such terminal or refinery are registered under section 4101.

(2) RATES OF TAX.—

(A) IN GENERAL.—The rate of the tax imposed by this section is—

(i) \* \* \*

(ii) in the case of aviation gasoline, 19.3 cents per gallon, **[and]**

(iii) in the case of diesel fuel or kerosene, 24.3 cents per gallon**[.]; and**

(iv) *in the case of aviation-grade kerosene, 21.8 cents per gallon.*

\* \* \* \* \*

(C) *TAXES IMPOSED ON FUEL USED IN COMMERCIAL AVIATION.*—In the case of aviation-grade kerosene which is removed from any refinery or terminal directly into the fuel tank of an aircraft for use in commercial aviation, the rate of tax under subparagraph (A)(iv) shall be 4.3 cents per gallon.

(3) *CERTAIN REFUELER TRUCKS, TANKERS, AND TANK WAGONS TREATED AS TERMINAL.*—

(A) *IN GENERAL.*—In the case of aviation-grade kerosene which is removed from any terminal directly into the fuel tank of an aircraft (determined without regard to any refueler truck, tanker, or tank wagon which meets the requirements of subparagraph (B)), a refueler truck, tanker, or tank wagon shall be treated as part of such terminal if—

(i) such truck, tanker, or wagon meets the requirements of subparagraph (B) with respect to an airport, and

(ii) except in the case of exigent circumstances identified by the Secretary in regulations, no vehicle registered for highway use is loaded with aviation-grade kerosene at such terminal.

(B) *REQUIREMENTS.*—A refueler truck, tanker, or tank wagon meets the requirements of this subparagraph with respect to an airport if such truck, tanker, or wagon—

(i) is loaded with aviation-grade kerosene at such terminal located within such airport and delivers such kerosene only into aircraft at such airport,

(ii) has storage tanks, hose, and coupling equipment designed and used for the purposes of fueling aircraft,

(iii) is not registered for highway use, and

(iv) is operated by—

(I) the terminal operator of such terminal, or

(II) a person that makes a daily accounting to such terminal operator of each delivery of fuel from such truck, tanker, or wagon.

(C) *REPORTING.*—The Secretary shall require under section 4101(d) reporting by such terminal operator of—

(i) any information obtained under subparagraph (B)(iv)(II), and

(ii) any similar information maintained by such terminal operator with respect to deliveries of fuel made by trucks, tankers, or wagons operated by such terminal operator.

(4) *LIABILITY FOR TAX ON AVIATION-GRADE KEROSENE USED IN COMMERCIAL AVIATION.*—For purposes of paragraph (2)(C), the person who uses the fuel for commercial aviation shall pay the tax imposed under such paragraph. For purposes of the preceding sentence, fuel shall be treated as used when such fuel is removed into the fuel tank.

\* \* \* \* \*

[(c) *TAXABLE FUELS MIXED WITH ALCOHOL.*—Under regulations prescribed by the Secretary—

[(1) IN GENERAL.—The rate of tax under subsection (a) shall be the alcohol mixture rate in the case of the removal or entry of any qualified alcohol mixture.

[(2) TAX PRIOR TO MIXING.—

[(A) IN GENERAL.—In the case of the removal or entry of any taxable fuel for use in producing at the time of such removal or entry a qualified alcohol mixture, the rate of tax under subsection (a) shall be the applicable fraction of the alcohol mixture rate. Subject to such terms and conditions as the Secretary may prescribe (including the application of section 4101), the treatment under the preceding sentence also shall apply to use in producing a qualified alcohol mixture after the time of such removal or entry.

[(B) APPLICABLE FRACTION.—For purposes of subparagraph (A), the applicable fraction is—

[(i) in the case of a qualified alcohol mixture which contains gasoline, the fraction the numerator of which is 10 and the denominator of which is—

[(I) 9 in the case of 10 percent gasohol,

[(II) 9.23 in the case of 7.7 percent gasohol,

and

[(III) 9.43 in the case of 5.7 percent gasohol,

and

[(ii) in the case of a qualified alcohol mixture which does not contain gasoline, 10/9.

[(3) ALCOHOL; QUALIFIED ALCOHOL MIXTURE.—For purposes of this subsection—

[(A) ALCOHOL.—The term “alcohol” includes methanol and ethanol but does not include alcohol produced from petroleum, natural gas, or coal (including peat). Such term does not include alcohol with a proof of less than 190 (determined without regard to any added denaturants).

[(B) QUALIFIED ALCOHOL MIXTURE.—The term “qualified alcohol mixture” means—

[(i) any mixture of gasoline with alcohol if at least 5.7 percent of such mixture is alcohol, and

[(ii) any mixture of diesel fuel with alcohol if at least 10 percent of such mixture is alcohol.

[(4) ALCOHOL MIXTURE RATES FOR GASOLINE MIXTURES.—For purposes of this subsection—

[(A) GENERAL RULES—

[(i) MIXTURES CONTAINING ETHANOL.—Except as provided in clause (ii), in the case of a qualified alcohol mixture which contains gasoline, the alcohol mixture rate is the excess of the rate which would (but for this paragraph) be determined under subsection (a) over—

[(I) in the case of 10 percent gasohol, the applicable blender rate (as defined in section 4041(b)(2)(C)) per gallon,

[(II) in the case of 7.7 percent gasohol, the number of cents per gallon equal to 77 percent of such applicable blender rate, and

[(III) in the case of 5.7 percent gasohol, the number of cents per gallon equal to 57 percent of such applicable blender rate.

[(ii) MIXTURES NOT CONTAINING ETHANOL.—In the case of a qualified alcohol mixture which contains gasoline and none of the alcohol in which consists of ethanol, the alcohol mixture rate is the excess of the rate which would (but for this paragraph) be determined under subsection (a) over—

[(I) in the case of 10 percent gasohol, 6 cents per gallon,

[(II) in the case of 7.7 percent gasohol, 4.62 cents per gallon, and

[(III) in the case of 5.7 percent gasohol, 3.42 cents per gallon.

[(B) 10 PERCENT GASOHOL.—The term “10 percent gasohol” means any mixture of gasoline with alcohol if at least 10 percent of such mixture is alcohol.

[(C) 7.7 PERCENT GASOHOL.—The term “7.7 percent gasohol” means any mixture of gasoline with alcohol if at least 7.7 percent, but not 10 percent or more, of such mixture is alcohol.

[(D) 5.7 PERCENT GASOHOL.—The term “5.7 percent gasohol” means any mixture of gasoline with alcohol if at least 5.7 percent, but not 7.7 percent or more, of such mixture is alcohol.

[(5) ALCOHOL MIXTURE RATE FOR DIESEL FUEL MIXTURES.—The alcohol mixture rate for a qualified alcohol mixture which does not contain gasoline is the excess of the rate which would (but for this paragraph) be determined under subsection (a) over the applicable blender rate (as defined in section 4041(b)(2)(C)) per gallon (6 cents per gallon in the case of a qualified alcohol mixture none of the alcohol in which consists of ethanol).

[(6) LIMITATION.—In no event shall any alcohol mixture rate determined under this subsection be less than 4.3 cents per gallon.

[(7) LATER SEPARATION OF FUEL FROM QUALIFIED ALCOHOL MIXTURE.—If any person separates the taxable fuel from a qualified alcohol mixture on which tax was imposed under subsection (a) at a rate determined under paragraph (1) or (2) (or with respect to which a credit or payment was allowed or made by reason of section 6427(f)(1)), such person shall be treated as the refiner of such taxable fuel. The amount of tax imposed on any removal of such fuel by such person shall be reduced by the amount of tax imposed (and not credited or refunded) on any prior removal or entry of such fuel.

[(8) TERMINATION.—Paragraphs (1) and (2) shall not apply to any removal, entry, or sale after September 30, 2007.]

\* \* \* \* \*

**SEC. 4082. EXEMPTIONS FOR DIESEL FUEL AND KEROSENE.**

(a) IN GENERAL.—The tax imposed by section 4081 shall not apply to diesel fuel and kerosene—

(1) \* \* \*

(2) which is indelibly dyed *by mechanical injection* in accordance with regulations which the Secretary shall prescribe, and

\* \* \* \* \*

(b) NONTAXABLE USE.—For purposes of this section, the term “nontaxable use” means—

(1) any use which is exempt from the tax imposed by section 4041(a)(1) other than by reason of a prior imposition of tax,

(2) any use in a train, and

(3) any use described in section 6427(b)(1) (after the application of section 6427(b)(3)) *and such term shall not include any use described in section 6421(e)(2)(C).*

*The term “nontaxable use” does not include the use of aviation-grade kerosene in an aircraft.*

\* \* \* \* \*

(d) ADDITIONAL EXCEPTIONS TO DYEING REQUIREMENTS FOR KEROSENE.—

[(1) AVIATION-GRADE KEROSENE.—Subsection (a)(2) shall not apply to aviation-grade kerosene (as determined under regulations prescribed by the Secretary) which the Secretary determines is destined for use as a fuel in an aircraft.]

[(2) (1) USE FOR NON-FUEL FEEDSTOCK PURPOSES.—Subsection (a)(2) shall not apply to kerosene—

(A) \* \* \*

\* \* \* \* \*

[(3) (2) WHOLESALE DISTRIBUTORS.—To the extent provided in regulations, subsection (a)(2) shall not apply to kerosene received by a wholesale distributor of kerosene if such distributor—

(A) is registered under section 4101 with respect to the tax imposed by section 4081 on kerosene, and

(B) sells kerosene exclusively to ultimate vendors described in section 6427(l)(5)(B) with respect to kerosene.

(e) AVIATION-GRADE KEROSENE.—*In the case of aviation-grade kerosene which is exempt from the tax imposed by section 4041(c) (other than by reason of a prior imposition of tax) and which is removed from any refinery or terminal directly into the fuel tank of an aircraft, the rate of tax under section 4081(a)(2)(A)(iv) shall be zero.*

[(e) (f) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out this section, including regulations requiring the conspicuous labeling of retail diesel fuel and kerosene pumps and other delivery facilities to assure that persons are aware of which fuel is available only for nontaxable uses.

**[(f)] (g) CROSS REFERENCE.—**  
**For tax on train and certain bus uses of fuel purchased tax-free,**  
**see section 4041(a)(1).**

**Sec. 4083. DEFINITIONS; SPECIAL RULE; ADMINISTRATIVE AUTHORITY.**

**(a) \* \* \***

\* \* \* \* \*

**(b) COMMERCIAL AVIATION.—***For purposes of this subpart, the term “commercial aviation” means any use of an aircraft in a business of transporting persons or property for compensation or hire by air, unless properly allocable to any transportation exempt from the taxes imposed by sections 4261 and 4271 by reason of section 4281 or 4282 or by reason of section 4261(h).*

**[(b)] (c) CERTAIN USES DEFINED AS REMOVAL.—**If any person uses taxable fuel (other than in the production of taxable fuels or special fuels referred to in section 4041), such use shall for the purposes of this chapter be considered a removal.

**[(c)] (d) ADMINISTRATIVE AUTHORITY.—**

**(1) IN GENERAL.—**In addition to the authority otherwise granted by this title, the Secretary may in administering compliance with this subpart, section 4041, and penalties and other administrative provisions related thereto—

**(A)** enter any place at which taxable fuel is produced or is stored (or may be stored) for purposes of—

**(i)** examining the equipment used to determine the amount or composition of such fuel and the equipment used to store such fuel, **[and]**

**(ii)** taking and removing samples of such fuel, and

**(iii)** *inspecting any books and records and any shipping papers pertaining to such fuel, and*

\* \* \* \* \*

**[Subpart B—Aviation Fuel**

**[SEC. 4091. IMPOSITION OF TAX.**

**[(a) TAX ON SALE.—**

**[(1) IN GENERAL.—**There is hereby imposed a tax on the sale of aviation fuel by the producer or the importer thereof or by any producer of aviation fuel.

**[(2) USE TREATED AS SALE.—**For purposes of paragraph (1), if any producer uses aviation fuel (other than for a nontaxable use as defined in section 6427(1)(2)(B)) on which no tax has been imposed under such paragraph or on which tax has been credited or refunded, then such use shall be considered a sale.

**[(b) RATE OF TAX.—**

**[(1) IN GENERAL.—**The rate of the tax imposed by subsection (a) shall be 21.8 cents per gallon.

**[(2) LEAKING UNDERGROUND STORAGE TANK TRUST FUND TAX.—**The rate of tax specified in paragraph (1) shall be increased by 0.1 cent per gallon. The increase in tax under this paragraph shall in this title be referred to as the Leaking Underground Storage Tank Trust Fund financing rate.

**[(3) TERMINATION.—**

[(A) The rate of tax specified in paragraph (1) shall be 4.3 cents per gallon—

[(i) after December 31, 1996, and before the date which is 7 calendar days after the date of the enactment of the Airport and Airway Trust Fund Tax Reinstatement Act of 1997, and

[(ii) after September 30, 2007.

[(B) The Leaking Underground Storage Tank Trust Fund financing rate shall not apply during any period during which the Leaking Underground Storage Tank Trust Fund financing rate under section 4081 does not apply.

[(c) REDUCED RATE OF TAX FOR AVIATION FUEL IN ALCOHOL MIXTURE, ETC.—Under regulations prescribed by the Secretary—

[(1) IN GENERAL.—The rate of tax under subsection (a) shall be reduced by the applicable blender amount per gallon in the case of the sale of any mixture of aviation fuel if—

[(A) at least 10 percent of such mixture consists of alcohol (as defined in section 4081(c)(3)), and

[(B) the aviation fuel in such mixture was not taxed under paragraph (2).

In the case of such a mixture none of the alcohol in which is ethanol, the preceding sentence shall be applied by substituting “14 cents” for “the applicable blender amount”. For purposes of this paragraph, the term “applicable blender amount” means 13.3 cents in the case of any sale or use during 2001 or 2002, 13.2 cents in the case of any sale or use during 2003 or 2004, 13.1 cents in the case of any sale or use during 2005, 2006, or 2007, and 13.4 cents in the case of any sale or use during 2008 or thereafter.

[(2) TAX PRIOR TO MIXING.—In the case of the sale of aviation fuel for use (at the time of such sale) in producing a mixture described in paragraph (1), the rate of tax under subsection (a) shall be 10/9 of the rate which would (but for this paragraph) have been applicable to such mixture had such mixture been created prior to such sale.

[(3) LATER SEPARATION.—If any person separates the aviation fuel from a mixture of the aviation fuel and alcohol on which tax was imposed under subsection (a) at a rate determined under paragraph (1) or (2) (or with respect to which a credit or payment was allowed or made by reason of section 6427(f)(1)), such person shall be treated as the producer of such aviation fuel. The amount of tax imposed on any sale of such aviation fuel by such person shall be reduced by the amount of tax imposed (and not credited or refunded) on any prior sale of such fuel.

[(4) LIMITATION.—In no event shall any rate determined under paragraph (1) be less than 4.3 cents per gallon.

[(5) TERMINATION.—Paragraphs (1) and (2) shall not apply to any sale after September 30, 2007.

[(d) REFUND OF TAX-PAID AVIATION FUEL TO REGISTERED PRODUCER OF FUEL.—If—

[(1) a producer of aviation fuel is registered under section 4101, and

[(2) such producer establishes to the satisfaction of the Secretary that a prior tax was paid (and not credited or refunded) on aviation fuel held by such producer, then an amount equal to the tax so paid shall be allowed as a refund (without interest) to such producer in the same manner as if it were an overpayment of tax imposed by this section.

**[SEC. 4092. EXEMPTIONS.**

[(a) NONTAXABLE USES.—No tax shall be imposed by section 4091 on aviation fuel sold by a producer or importer for use by the purchaser in a nontaxable use (as defined in section 6427(1)(2)(B)).

[(b) NO EXEMPTION FROM CERTAIN TAXES ON FUEL USED IN COMMERCIAL AVIATION.—In the case of fuel sold for use in commercial aviation (other than supplies for vessels or aircraft within the meaning of section 4221(d)(3)), subsection (a) shall not apply to so much of the tax imposed by section 4091 as is attributable to—

[(1) the Leaking Underground Storage Tank Trust Fund financing rate imposed by such section, and

[(2) in the case of fuel sold after September 30, 1995, 4.3 cents per gallon of the rate specified in section 4091(b)(1).

For purposes of the preceding sentence, the term “commercial aviation” means any use of an aircraft other than in noncommercial aviation (as defined in section 4041(c)(2)).

[(c) SALES TO PRODUCER.—Under regulations prescribed by the Secretary, the tax imposed by section 4091 shall not apply to aviation fuel sold to a producer of such fuel.

**[SEC. 4093. DEFINITIONS.**

[(a) AVIATION FUEL.—For purposes of this subpart, the term “aviation fuel” means kerosene and any other liquid (other than any product taxable under section 4081) which is suitable for use as a fuel in an aircraft.

[(b) PRODUCER.—For purposes of this subpart—

[(1) CERTAIN PERSONS TREATED AS PRODUCERS.—

[(A) IN GENERAL.—The term “producer” includes any person described in subparagraph (B) and registered under section 4101 with respect to the tax imposed by section 4091.

[(B) PERSONS DESCRIBED.—A person is described in this subparagraph if such person is—

[(i) a refiner, blender, or wholesale distributor of aviation fuel, or

[(ii) a dealer selling aviation fuel exclusively to producers of aviation fuel.

[(C) REDUCED RATE PURCHASERS TREATED AS PRODUCERS.—Any person to whom aviation fuel is sold at a reduced rate under this subpart shall be treated as the producer of such fuel.

[(2) WHOLESALE DISTRIBUTOR.—For purposes of paragraph (1), the term “wholesale distributor” includes any person who sells aviation fuel to producers, retailers, or to users who purchase in bulk quantities and accept delivery into bulk storage tanks. Such term does not include any person who (excluding the term “wholesale distributor” from paragraph (1)) is a producer or importer.]

**[Subpart C—Special Provisions Applicable to Petroleum Products]**

***Subpart B—Special Provisions Applicable to Fuels Tax***

Sec. 4101. Registration and bond.

\* \* \* \* \*

Sec. 4104. Collection from Customs bond where importer not registered.

Sec. 4105. Two-party exchanges.

**SEC. 4101. REGISTRATION AND BOND.**

(a) REGISTRATION.—**[Every]**

(1) *IN GENERAL.*—Every person required by the Secretary to register under this section with respect to the tax imposed by section 4041(a)(1)**[, 4081, or 4091]** or 4081 shall register with the Secretary at such time, in such form and manner, and subject to such terms and conditions, as the Secretary may by regulations prescribe. A registration under this section may be used only in accordance with regulations prescribed under this section.

(2) *DISPLAY OF REGISTRATION.*—Every operator of a vessel required by the Secretary to register under this section shall display proof of registration through an electronic identification device prescribed by the Secretary on each vessel used by such operator to transport any taxable fuel.

\* \* \* \* \*

**SEC. 4103. CERTAIN ADDITIONAL PERSONS LIABLE FOR TAX WHERE WILLFUL FAILURE TO PAY.**

In any case in which there is a willful failure to pay the tax imposed by section 4041(a)(1)**[, 4081, or 4091]** or 4081, each person—

(1) \* \* \*

\* \* \* \* \*

**SEC. 4104. COLLECTION FROM CUSTOMS BOND WHERE IMPORTER NOT REGISTERED.**

(a) *IN GENERAL.*—The importer of record shall be jointly and severally liable for the tax imposed by section 4081(a)(1)(A)(iii) if, under regulations prescribed by the Secretary, any other person that is not a person who is registered under section 4101 is liable for such tax.

(b) *COLLECTION FROM CUSTOMS BOND.*—If any tax for which any importer of record is liable under subsection (a), or for which any importer of record that is not a person registered under section 4101 is otherwise liable, is not paid on or before the last date prescribed for payment, the Secretary may collect such tax from the Customs bond posted with respect to the importation of the taxable fuel to which the tax relates. For purposes of determining the jurisdiction of any court of the United States or any agency of the United States, any action by the Secretary described in the preceding sentence shall be treated as an action to collect the tax from a bond described in section 4101(b)(1) and not as an action to collect from a bond relating to the importation of merchandise.

**SEC. 4105. TWO-PARTY EXCHANGES.**

(a) *IN GENERAL.*—In a two-party exchange, the delivering person shall not be liable for the tax imposed under section 4081(a)(1)(A)(ii).

(b) *TWO-PARTY EXCHANGE.*—The term “two-party exchange” means a transaction, other than a sale, in which taxable fuel is transferred from a delivering person registered under section 4101 as a taxable fuel registrant fuel to a receiving person who is so registered where all of the following occur:

(1) The transaction includes a transfer from the delivering person, who holds the inventory position for taxable fuel in the terminal as reflected in the records of the terminal operator.

(2) The exchange transaction occurs before or contemporaneous with completion of removal across the rack from the terminal by the receiving person.

(3) The terminal operator in its books and records treats the receiving person as the person that removes the taxable fuel across the terminal rack for purposes of reporting the transaction to the Secretary.

(4) The transaction is the subject of a written contract.

\* \* \* \* \*

**Subchapter G—Exemptions, Registration, Etc.**

\* \* \* \* \*

**SEC. 4221. CERTAIN TAX-FREE SALES.**

(a) *GENERAL RULE.*—Under regulations prescribed by the Secretary, no tax shall be imposed under this chapter (other than under section 4121, 4081, or 4091 or 4081) on the sale by the manufacturer (or under subchapter A or C of chapter 31 on the first retail sale) of an article—

(1) \* \* \*

\* \* \* \* \*

**CHAPTER 36—CERTAIN EXCISE TAX**

\* \* \* \* \*

**Subchapter A—Harbor Maintenance Tax**

\* \* \* \* \*

**Subchapter D—Tax on Use of Certain Vehicles**

\* \* \* \* \*

**SEC. 4481. IMPOSITION OF TAX.**

(a) \* \* \*

\* \* \* \* \*

(c) **PRORATION OF TAX**

(1) \* \* \*

(2) WHERE VEHICLE **[DESTROYED OR STOLEN]** *SOLD, DESTROYED, OR STOLEN.*—

(A) IN GENERAL.—If in any taxable period a highway motor vehicle is **[destroyed or stolen]** *sold, destroyed, or stolen* before the first day of the last month in such period and not subsequently used during such taxable period, the tax shall be reckoned proportionately from the first day of the month in such period in which the first use of such highway motor vehicle occurs to and including the last day of the month in which such highway motor vehicle was **[destroyed or stolen]** *sold, destroyed, or stolen.*

(B) DESTROYED.—For purposes of subparagraph (A), a highway motor vehicle is destroyed if such vehicle is damaged by reason of an accident or other casualty to such an extent that it is not economic to rebuild.

\* \* \* \* \*  
(e) *ELECTRONIC FILING.*—Any taxpayer who files a return under this section with respect to 25 or more vehicles for any taxable period shall file such return electronically.

**[(e)] (f) PERIOD TAX IN EFFECT.**—The tax imposed by this section shall apply only to use before October 1, 2005.

\* \* \* \* \*  
**SEC. 4483. EXEMPTIONS.**

(a) \* \* \*

\* \* \* \* \*  
**[(f) REDUCTION IN TAX FOR TRUCKS BASE-PLATED IN A CONTIGUOUS FOREIGN COUNTRY.**—If the base for registration purposes of any highway motor vehicle is in a contiguous foreign country for any taxable period, the tax imposed by section 4481 for such period shall be 75 percent of the tax which would (but for this subsection) be imposed by section 4481 for such period.]

(g) *EXEMPTION FOR MOBILE MACHINERY.*—No tax shall be imposed by section 4481 on the use of any vehicle described in section 4053(8).

**[(g)] (h) TERMINATION OF EXEMPTIONS.**—Subsections (a) and (c) shall not apply on and after October 1, 2005.

\* \* \* \* \*  
**Subtitle E—Alcohol, Tobacco, and Certain Other Excise Taxes**

\* \* \* \* \*  
**CHAPTER 62—TIME AND PLACE FOR PAYING TAX**

\* \* \* \* \*

**Subchapter A—Place and Due Date for Payment of Tax**

Sec. 6151. Time and place for paying tax shown on returns.

\* \* \* \* \*

**[Sec. 6156. Installment payments of tax on use of highway motor vehicles.]**

\* \* \* \* \*

**[SEC. 6156. INSTALLMENT PAYMENTS OF TAX ON USE OF HIGHWAY MOTOR VEHICLES.**

**[(a) PRIVILEGE TO PAY TAX IN INSTALLMENTS.]**—If the taxpayer files a return of the tax imposed by section 4481 on or before the date prescribed for the filing of such return, he may elect to pay the tax shown on such return in equal installments in accordance with the following table:

<b>[If liability is incurred in—</b>	<b>The number of installments shall be—</b>
July, August, or September	4
October, November, or December	3
January, February, or March	2

**[(b) DATES FOR PAYING INSTALLMENTS.]**—In the case of any tax payable in installments by reason of an election under subsection (a)—

**[(1)]** the first installment shall be paid on the date prescribed for payment of the tax,

**[(2)]** the second installment shall be paid on or before the last day of the third month following the calendar quarter in which the liability was incurred,

**[(3)]** the third installment (if any) shall be paid on or before the last day of the sixth month following the calendar quarter in which the liability was incurred, and

**[(4)]** the fourth installment (if any) shall be paid on or before the last day of the ninth month following the calendar quarter in which the liability was incurred.

**[(c) PRORATION OF ADDITIONAL TAX TO INSTALLMENTS.]**—If an election has been made under subsection (a) in respect of tax reported on a return filed by the taxpayer and tax required to be shown but not shown on such return is assessed before the date prescribed for payment of the last installment, the additional tax shall be prorated equally to the installments for which the election was made. That part of the additional tax so prorated to any installment the date for payment of which has not arrived shall be collected at the same time as and as part of such installment. That part of the additional tax so prorated to any installment the date for payment of which has arrived shall be paid upon notice and demand from the Secretary.

**[(d) ACCELERATION OF PAYMENTS.]**—If the taxpayer does not pay any installment under this section on or before the date prescribed for its payment, the whole of the unpaid tax shall be paid upon notice and demand from the Secretary.

**[(e) SECTION INAPPLICABLE TO CERTAIN LIABILITIES.]**—This section shall not apply to any liability for tax incurred in—

[(1) April, May, or June of any year, or  
(2) July, August, or September of 2005.]

\* \* \* \* \*

**CHAPTER 63—ASSESSMENT**

\* \* \* \* \*

**Subchapter A—In General**

\* \* \* \* \*

**SEC. 6206. SPECIAL RULES APPLICABLE TO EXCESSIVE CLAIMS UNDER SECTIONS 6420, 6421, AND 6427.**

Any portion of a payment made under section 6420, 6421, or 6427 which constitutes an excessive amount (as defined in section 6675(b)), and any civil penalty provided by section 6675, may be assessed and collected as if it were a tax imposed by section 4081 (with respect to payments under sections 6420 and 6421), or 4041[, 4081, or 4091] or 4081 (with respect to payments under section 6427) and as if the person who made the claim were liable for such tax. The period for assessing any such portion, and for assessing any such penalty, shall be 3 years from the last day prescribed for the filing of the claim under section 6420, 6421, or 6427, as the case may be.

\* \* \* \* \*

**CHAPTER 65—ABATEMENTS, CREDITS, AND REFUNDS**

\* \* \* \* \*

**Subchapter B—Rules of Special Application**

\* \* \* \* \*

**SEC. 6416. CERTAIN TAXES ON SALES AND SERVICES.**

(a) CONDITION TO ALLOWANCE.—

(1) \* \* \*

\* \* \* \* \*

[(4) WHOLESALE DISTRIBUTORS TO ADMINISTER CREDITS AND REFUNDS OF GASOLINE TAX.—

[(A) IN GENERAL.—For purposes of this subsection, a wholesale distributor who purchases any gasoline on which tax imposed by section 4081 has been paid and who sells the gasoline to its ultimate purchaser shall be treated as the person (and the only person) who paid such tax.

[(B) WHOLESALE DISTRIBUTOR.—For purposes of subparagraph (A), the term “wholesale distributor” has the meaning given such term by section 4093(b)(2) (determined by substituting “any gasoline taxable under section 4081” for “aviation fuel” therein). Such term includes any person

who makes retail sales of gasoline at 10 or more retail motor fuel outlets.】

(4) REGISTERED ULTIMATE VENDOR TO ADMINISTER CREDITS AND REFUNDS OF GASOLINE TAX.—

(A) IN GENERAL.—For purposes of this subsection, if an ultimate vendor purchases any gasoline on which tax imposed by section 4081 has been paid and sells such gasoline to an ultimate purchaser described in subparagraph (C) or (D) of subsection (b)(2) (and such gasoline is for a use described in such subparagraph), such ultimate vendor shall be treated as the person (and the only person) who paid such tax, but only if such ultimate vendor is registered under section 4101. For purposes of this subparagraph, if the sale of gasoline is made by means of a credit card, the person extending the credit to the ultimate purchaser shall be deemed to be the ultimate vendor.

(B) TIMING OF CLAIMS.—The procedure and timing of any claim under subparagraph (A) shall be the same as for claims under section 6427(i)(4), except that the rules of section 6427(i)(3)(B) regarding electronic claims shall not apply unless the ultimate vendor has certified to the Secretary for the most recent quarter of the taxable year that all ultimate purchasers of the vendor covered by such claim are certified and entitled to a refund under subparagraph (C) or (D) of subsection (b)(2).

(b) SPECIAL CASES IN WHICH TAX PAYMENTS CONSIDERED OVERPAYMENTS.—Under regulations prescribed by the Secretary, credit or refund (without interest) shall be allowed or made in respect of the overpayments determined under the following paragraphs:

(1) \* \* \*

(2) SPECIFIED USES AND REALES.—The tax paid under chapter 32 (or under subsection (a) or (d) of section 4041 in respect of sales or under section 4051) in respect of any article shall be deemed to be an overpayment if such article was, by any person—

(A) \* \* \*

\* \* \* \* \*  
Subparagraphs (C) and (D) shall not apply in the case of any tax paid under section 4064. In the case of the tax imposed by section 4131, subparagraphs (B), (C), and (D) shall not apply and subparagraph (A) shall apply only if the use of the exported vaccine meets such requirements as the Secretary may by regulations prescribe. This paragraph shall not apply in the case of any tax imposed under section 4041(a)(1) or 4081 on diesel fuel or kerosene and any tax paid under section 【4091 or】 4121.

(3) TAX-PAID ARTICLES USED FOR FURTHER MANUFACTURE, ETC.—If the tax imposed by chapter 32 has been paid with respect to the sale of any article (other than coal taxable under section 4121) by the manufacturer, producer, or importer thereof and such article is sold to a subsequent manufacturer or producer before being used, such tax shall be deemed to be

an overpayment by such subsequent manufacturer or producer if—

(A) in the case of any article other than any fuel taxable under section 4081 [or 4091], such article is used by the subsequent manufacturer or producer as material in the manufacture or production of, or as a component part of—

(i) \* \* \*

\* \* \* \* \*

(B) in the case of any fuel taxable under section 4081 [or 4091], such fuel is used by the subsequent manufacturer or producer, for nonfuel purposes, as a material in the manufacture or production of any other article manufactured or produced by him.

\* \* \* \* \*

(d) CREDIT ON RETURNS.—Any person entitled to a refund of tax imposed by chapter 31 or 32, paid to the Secretary may, instead of filing a claim for refund, take credit therefor against taxes imposed by such chapter due on any subsequent return. The preceding sentence shall not apply to the tax imposed by section 4081 in the case of refunds described in section 4081(e) [or to the tax imposed by section 4091 in the case of refunds described in section 4091(d)].

\* \* \* \* \*

**SEC. 6421. GASOLINE USED FOR CERTAIN NONHIGHWAY PURPOSES, USED BY LOCAL TRANSIT SYSTEMS, OR SOLD FOR CERTAIN EXEMPT PURPOSES.**

(a) \* \* \*

\* \* \* \* \*

(e) DEFINITIONS.—For purposes of this section—

(1) \* \* \*

(2) OFF-HIGHWAY BUSINESS USE.—

(A) \* \* \*

\* \* \* \* \*

(C) USES IN MOBILE MACHINERY.—

(i) IN GENERAL.—The term “off-highway business use” shall include any use in a vehicle which meets the requirements described in clause (ii).

(ii) REQUIREMENTS FOR MOBILE MACHINERY.—The requirements described in this clause are—

(I) the design-based test, and

(II) the use-based test.

(iii) DESIGN-BASED TEST.—For purposes of clause (ii)(I), the design-based test is met if the vehicle consists of a chassis—

(I) to which there has been permanently mounted (by welding, bolting, riveting, or other means) machinery or equipment to perform a construction, manufacturing, processing, farming, mining, drilling, timbering, or similar operation if the operation of the machinery or equipment is un-

related to transportation on or off the public highways,

(II) which has been specially designed to serve only as a mobile carriage and mount (and a power source, where applicable) for the particular machinery or equipment involved, whether or not such machinery or equipment is in operation, and

(III) which, by reason of such special design, could not, without substantial structural modification, be used as a component of a vehicle designed to perform a function of transporting any load other than that particular machinery or equipment or similar machinery or equipment requiring such a specially designed chassis.

(iv) USE-BASED TEST.—For purposes of clause (ii)(II), the use-based test is met if the use of the vehicle on public highways was less than 7,500 miles during the taxpayer's taxable year.

\* \* \* \* \*

**SEC. 6427. FUELS NOT USED FOR TAXABLE PURPOSES.**

(a) \* \* \*

\* \* \* \* \*

**[(f) GASOLINE, DIESEL FUEL, KEROSENE, AND AVIATION FUEL USED TO PRODUCE CERTAIN ALCOHOL FUELS.—**

[(1) IN GENERAL.—Except as provided in subsection (k), if any gasoline, diesel fuel, kerosene, or aviation fuel on which tax was imposed by section 4081 or 4091 at the regular tax rate is used by any person in producing a mixture described in section 4081(c) or 4091(c)(1)(A) (as the case may be) which is sold or used in such person's trade or business, the Secretary shall pay (without interest) to such person an amount equal to the excess of the regular tax rate over the incentive tax rate with respect to such fuel.

[(2) DEFINITIONS.—For purposes of paragraph (1)—

[(A) REGULAR TAX RATE.—The term "regular tax rate" means—

[(i) in the case of gasoline, diesel fuel, or kerosene, the aggregate rate of tax imposed by section 4081 determined without regard to subsection (c) thereof, and

[(ii) in the case of aviation fuel, the aggregate rate of tax imposed by section 4091 determined without regard to subsection (c) thereof.

[(B) INCENTIVE TAX RATE.—The term "incentive tax rate" means—

[(i) in the case of gasoline, diesel fuel, or kerosene, the aggregate rate of tax imposed by section 4081 with respect to fuel described in subsection (c)(2) thereof, and

[(ii) in the case of aviation fuel, the aggregate rate of tax imposed by section 4091 with respect to fuel described in subsection (c)(2) thereof.

[(3) COORDINATION WITH OTHER REPAYMENT PROVISIONS.— No amount shall be payable under paragraph (1) with respect to any gasoline, diesel fuel, kerosene, or aviation fuel with respect to which an amount is payable under subsection (d), or (I) of this section or under section 6420 or 6421.

[(4) TERMINATION.—This subsection shall not apply with respect to any mixture sold or used after September 30, 2007.]

(f) ALCOHOL FUEL MIXTURES.—

(1) IN GENERAL.—The amount of credit which would (but for section 40(c)) be determined under section 40(a)(1) for any period—

(A) shall, with respect to taxable events occurring during such period, be treated—

(i) as a payment of the taxpayer’s liability for tax imposed by section 4081, and

(ii) as received at the time of the taxable event, and

(B) to the extent such amount of credit exceeds such liability for such period, shall (except as provided in subsection (k)) be paid subject to subsection (i)(3) by the Secretary without interest.

(2) SPECIAL RULES.—

(A) ONLY CERTAIN ALCOHOL TAKEN INTO ACCOUNT.— For purposes of paragraph (1), section 40 shall be applied—

(i) by not taking into account alcohol with a proof of less than 190, and

(ii) by treating as alcohol the alcohol gallon equivalent of ethyl tertiary butyl ether or other ethers produced from such alcohol.

(B) TREATMENT OF REFINERS.—For purposes of paragraph (1), in the case of a mixture—

(i) the alcohol in which is described in subparagraph (A)(ii), and

(ii) which is produced by any person at a refinery prior to any taxable event,

section 40 shall be applied by treating such person as having sold such mixture at the time of its removal from the refinery (and only at such time) to another person for use as a fuel.

(3) MIXTURES NOT USED AS FUEL.—Rules similar to the rules of subparagraphs (A) and (D) of section 40(d)(3) shall apply for purposes of this subsection.

(4) TERMINATION.—This section shall apply only to periods to which section 40 applies, determined by substituting in section 40(e)—

(A) “December 31, 2010” for “December 31, 2007”, and

(B) “January 1, 2011” for “January 1, 2008”.

\* \* \* \* \*

(i) TIME FOR FILING CLAIMS; PERIOD COVERED.—

(1) \* \* \*

(2) EXCEPTIONS.—

(A) \* \* \*

\* \* \* \* \*

(C) *NONAPPLICATION OF PARAGRAPH.*—*This paragraph shall not apply to any fuel used solely in any off-highway business use described in section 6421(e)(2)(C).*

**[(3) SPECIAL RULE FOR ALCOHOL MIXTURE CREDIT.—**

**[(A) IN GENERAL.—**A claim may be filed under subsection (f) by any person with respect to gasoline, diesel fuel, or kerosene used to produce a qualified alcohol mixture (as defined in section 4081(c)(3) for any period—

**[(i)** for which \$200 or more is payable under such subsection (f), and

**[(ii)** which is not less than 1 week.

**[(B) PAYMENT OF CLAIM.—**Notwithstanding subsection (f)(1), if the Secretary has not paid pursuant to a claim filed under this section within 20 days of the date of the filing of such claim, the claim shall be paid with interest from such date determined by using the overpayment rate and method under section 6621.

**[(C) TIME FOR FILING CLAIM.—**No claim filed under this paragraph shall be allowed unless filed on or before the last day of the first quarter following the earliest quarter included in the claim.]

*(3) SPECIAL RULE FOR ALCOHOL MIXTURE CREDIT.—*

*(A) IN GENERAL.—A claim may be filed under subsection (f)(1)(B) by any person for any period—*

*(i) for which \$200 or more is payable under such subsection (f)(1)(B), and*

*(ii) which is not less than 1 week.*

*In the case of an electronic claim, this subparagraph shall be applied without regard to clause (i).*

*(B) PAYMENT OF CLAIM.—Notwithstanding subsection (f)(1)(B), if the Secretary has not paid pursuant to a claim filed under this section within 45 days of the date of the filing of such claim (20 days in the case of an electronic claim), the claim shall be paid with interest from such date determined by using the overpayment rate and method under section 6621.*

*(C) TIME FOR FILING CLAIM.—No claim filed under this paragraph shall be allowed unless filed on or before the last day of the first quarter following the earliest quarter included in the claim.*

**(4) SPECIAL RULE FOR VENDOR REFUNDS.—**

**(A) IN GENERAL.—**A claim may be filed under **[(sub-**section (1)(5)] *paragraph (4)(B) or (5) of subsection (l)* by any person with respect to fuel sold by such person for any period—

**(i)** for which \$200 or more (\$100 or more in the case of kerosene) is payable under **[(sub-**section (1)(5)] *paragraph (4)(B) or (5) of subsection (l)*, and

\* \* \* \* \*

Notwithstanding subsection (1)(1), paragraph (3)(B) shall apply to claims filed under **[(the preceding sentence]** *sub-*section (l)(5).

\* \* \* \* \*

*(5) SPECIAL RULE FOR VENDOR REFUNDS WITH RESPECT TO FARMERS.—*

*(A) IN GENERAL.—A claim may be filed under subsection (l)(6) by any person with respect to fuel sold by such person for any period—*

*(i) for which \$200 or more (\$100 or more in the case of kerosene) is payable under subsection (l)(6),*

*(ii) which is not less than 1 week, and*

*(iii) which is for not more than 250 gallons for each farmer for which there is a claim.*

*Notwithstanding subsection (l)(1), paragraph (3)(B) shall apply to claims filed under the preceding sentence.*

*(B) TIME FOR FILING CLAIM.—No claim filed under this paragraph shall be allowed unless filed on or before the last day of the first quarter following the earliest quarter included in the claim.*

*(j) APPLICABLE LAWS.—*

*(1) IN GENERAL.—All provisions of law, including penalties, applicable in respect of the taxes imposed by sections 4041, 4081, and 4091 and 4081 shall, insofar as applicable and not inconsistent with this section, apply in respect of the payments provided for in this section to the same extent as if such payments constituted refunds of overpayments of the tax so imposed.*

\* \* \* \* \*

*(l) NONTAXABLE USES OF DIESEL FUEL, KEROSENE, AND AVIATION FUEL.—*

*[(1) IN GENERAL.—Except as otherwise provided in this subsection and in subsection (k), if—*

*[(A) any diesel fuel or kerosene on which tax has been imposed by section 4041 or 4081, or*

*[(B) any aviation fuel on which tax has been imposed by section 4091,*

*is used by any person in a nontaxable use, the Secretary shall pay (without interest) to the ultimate purchaser of such fuel an amount equal to the aggregate amount of tax imposed on such fuel under section 4041, 4081, or 4091, as the case may be.]*

*(1) IN GENERAL.—Except as otherwise provided in this subsection and in subsection (k), if any diesel fuel or kerosene on which tax has been imposed by section 4041 or 4081 is used by any person in a nontaxable use, the Secretary shall pay (without interest) to the ultimate purchaser of such fuel an amount equal to the aggregate amount of tax imposed on such fuel under section 4041 or 4081, as the case may be, reduced by any payment made to the ultimate vendor under paragraph (4)(B).*

*(2) NONTAXABLE USE.—For purposes of this subsection, the term “nontaxable use” means—*

*(A) \* \* \**

*[(B) in the case of aviation fuel, any use which is exempt from the tax imposed by section 4041(c)(1) other than by reason of a prior imposition of tax.]*

*(B) in the case of aviation-grade kerosene—*

(i) any use which is exempt from the tax imposed by section 4041(c) other than by reason of a prior imposition of tax, or

(ii) any use in commercial aviation (within the meaning of section 4083(b)).

\* \* \* \* \*

[(4) NO REFUND OF CERTAIN TAXES ON FUEL USED IN COMMERCIAL AVIATION.—In the case of fuel used in commercial aviation (as defined in section 4092(b)) (other than supplies for vessels or aircraft within the meaning of section 4221(d)(3)), paragraph (1) shall not apply to so much of the tax imposed by section 4091 as is attributable to—

[(A) the Leaking Underground Storage Tank Trust Fund financing rate imposed by such section, and

[(B) in the case of fuel purchased after September 30, 1995, so much of the rate of tax specified in section 4091(b)(1) as does not exceed 4.3 cents per gallon.]

(4) REFUNDS FOR AVIATION-GRADE KEROSENE.—

(A) NO REFUND OF CERTAIN TAXES ON FUEL USED IN COMMERCIAL AVIATION.—In the case of aviation-grade kerosene used in commercial aviation (as defined in section 4083(b)) (other than supplies for vessels or aircraft within the meaning of section 4221(d)(3)), paragraph (1) shall not apply to so much of the tax imposed by section 4081 as is attributable to—

(i) the Leaking Underground Storage Tank Trust Fund financing rate imposed by such section, and

(ii) so much of the rate of tax specified in section 4081(a)(2)(A)(iv) as does not exceed 4.3 cents per gallon.

(B) PAYMENT TO ULTIMATE, REGISTERED VENDOR.—With respect to aviation-grade kerosene, if the ultimate purchaser of such kerosene waives (at such time and in such form and manner as the Secretary shall prescribe) the right to payment under paragraph (1) and assigns such right to the ultimate vendor, then the Secretary shall pay the amount which would be paid under paragraph (1) to such ultimate vendor, but only if such ultimate vendor—

(i) is registered under section 4101, and

(ii) meets the requirements of subparagraph (A),

(B), or (D) of section 6416(a)(1).

(5) REGISTERED VENDORS TO ADMINISTER CLAIMS FOR REFUND OF DIESEL FUEL OR KEROSENE SOLD TO [FARMERS AND] STATE AND LOCAL GOVERNMENTS.—

[(A) IN GENERAL.—Paragraph (1) shall not apply to diesel fuel or kerosene used—

[(i) on a farm for farming purposes (within the meaning of section 6420(c)), or

[(ii) by a State or local government.]

(A) IN GENERAL.—Paragraph (1) shall not apply to diesel fuel or kerosene used by a State or local government.

(B) SALES OF KEROSENE NOT FOR USE IN MOTOR FUEL.—[Paragraph (1)(A) shall not apply to kerosene]

*Paragraph (1) shall not apply to kerosene (other than aviation-grade kerosene) sold by a vendor—*

(i) \* \* \*

\* \* \* \* \*

(C) PAYMENT TO ULTIMATE, REGISTERED VENDOR.—The amount which would (but for subparagraph (A) or (B)) have been paid under paragraph (1) with respect to any fuel shall be paid to the ultimate vendor of such fuel, if such vendor—

(i) is registered under section 4101, and

(ii) meets the requirements of subparagraph (A),

(B), or (D) of section 6416(a)(1).

*For purposes of this subparagraph, if the sale of diesel fuel or kerosene is made by means of a credit card, the person extending the credit to the ultimate purchaser shall be deemed to be the ultimate vendor.*

(6) REGISTERED VENDORS PERMITTED TO ADMINISTER CERTAIN CLAIMS FOR REFUND OF DIESEL FUEL AND KEROSENE SOLD TO FARMERS.—

(A) IN GENERAL.—*In the case of diesel fuel or kerosene used on a farm for farming purposes (within the meaning of section 6420(c)), paragraph (1) shall not apply to the aggregate amount of such diesel fuel or kerosene if such amount does not exceed 250 gallons (as determined under subsection (i)(5)(A)(iii)).*

(B) PAYMENT TO ULTIMATE VENDOR.—*The amount which would (but for subparagraph (A)) have been paid under paragraph (1) with respect to any fuel shall be paid to the ultimate vendor of such fuel, if such vendor—*

(i) is registered under section 4101, and

(ii) meets the requirements of subparagraph (A),

(B), or (D) of section 6416(a)(1).

\* \* \* \* \*

**CHAPTER 68—ADDITIONS TO THE TAX, ADDITIONAL AMOUNTS, AND ASSESSABLE PENALTIES**

\* \* \* \* \*

**Subchapter B—Assessable Penalties**

\* \* \* \* \*

**PART I—GENERAL PROVISIONS**

Sec. 6671. Rules for application of assessable penalties.

\* \* \* \* \*

Sec. 6715A. *Tampering with or failing to maintain security requirements for mechanical dye injection systems.*

\* \* \* \* \*

Sec. 6717. Failure to display tax registration on vessels.  
Sec. 6718. Failure to register.

\* \* \* \* \*

**SEC. 6715A. TAMPERING WITH OR FAILING TO MAINTAIN SECURITY REQUIREMENTS FOR MECHANICAL DYE INJECTION SYSTEMS.**

(a) **IMPOSITION OF PENALTY—**

(1) **TAMPERING.**—If any person tampers with a mechanical dye injection system used to indelibly dye fuel for purposes of section 4082, such person shall pay a penalty in addition to the tax (if any).

(2) **FAILURE TO MAINTAIN SECURITY REQUIREMENTS.**—If any operator of a mechanical dye injection system used to indelibly dye fuel for purposes of section 4082 fails to maintain the security standards for such system as established by the Secretary, then such operator shall pay a penalty in addition to the tax (if any).

(b) **AMOUNT OF PENALTY.**—The amount of the penalty under subsection (a) shall be—

(1) for each violation described in paragraph (1), the greater of—

- (A) \$25,000, or
- (B) \$10 for each gallon of fuel involved, and

(2) for each—

- (A) failure to maintain security standards described in paragraph (2), \$1,000, and
- (B) failure to correct a violation described in paragraph (2), \$1,000 per day for each day after which such violation was discovered or such person should have reasonably known of such violation.

(c) **JOINT AND SEVERAL LIABILITY.**—

(1) **IN GENERAL.**—If a penalty is imposed under this section on any business entity, each officer, employee, or agent of such entity or other contracting party who willfully participated in any act giving rise to such penalty shall be jointly and severally liable with such entity for such penalty.

(2) **AFFILIATED GROUPS.**—If a business entity described in paragraph (1) is part of an affiliated group (as defined in section 1504(a)), the parent corporation of such entity shall be jointly and severally liable with such entity for the penalty imposed under this section.

\* \* \* \* \*

**SEC. 6717. FAILURE TO DISPLAY TAX REGISTRATION ON VESSELS.**

(a) **FAILURE TO DISPLAY REGISTRATION.**—Every operator of a vessel who fails to display proof of registration pursuant to section 4101(a)(2) shall pay a penalty of \$500 for each such failure. With respect to any vessel, only one penalty shall be imposed by this section during any calendar month.

(b) **MULTIPLE VIOLATIONS.**—In determining the penalty under subsection (a) on any person, subsection (a) shall be applied by increasing the amount in subsection (a) by the product of such amount and the aggregate number of penalties (if any) imposed with respect

to prior months by this section on such person (or a related person or any predecessor of such person or related person).

(c) REASONABLE CAUSE EXCEPTION.—No penalty shall be imposed under this section with respect to any failure if it is shown that such failure is due to reasonable cause.

SEC. 6718. FAILURE TO REGISTER.

(a) FAILURE TO REGISTER.—Every person who is required to register under section 4101 and fails to do so shall pay a penalty in addition to the tax (if any).

(b) AMOUNT OF PENALTY.—The amount of the penalty under subsection (a) shall be—

- (1) \$10,000 for each initial failure to register, and
- (2) \$1,000 for each day thereafter such person fails to register.

(c) REASONABLE CAUSE EXCEPTION.—No penalty shall be imposed under this section with respect to any failure if it is shown that such failure is due to reasonable cause.

\* \* \* \* \*

PART II—FAILURE TO COMPLY WITH CERTAIN INFORMATION REPORTING REQUIREMENTS

\* \* \* \* \*

Sec. 6721. Failure to file correct information returns.

\* \* \* \* \*

Sec. 6725. Failure to report information under section 4101.

\* \* \* \* \*

SEC. 6724. WAIVER; DEFINITIONS AND SPECIAL RULES.

(a) \* \* \*

\* \* \* \* \*

(d) DEFINITIONS.—For purposes of this part—

(1) INFORMATION RETURN.—The term “information return” means—

(A) \* \* \*

(B) any return required by—

(i) \* \* \*

\* \* \* \* \*

[(xv) subparagraph (A) or (C) of subsection (c)(4) of section 4093 (relating to information reporting with respect to tax on diesel and aviation fuels),]

[(xvi)] (xv) section 4101(d) (relating to information reporting with respect to fuels taxes),

[(xvii)] (xvi) subparagraph (C) of section 338(h)(10) (relating to information required to be furnished to the Secretary in case of elective recognition of gain or loss), or

[(xviii)] (xvii) ssection 264(f)(5)(A)(iv) (relating to reporting with respect to certain life insurance and annuity contracts), and

\* \* \* \* \*

(2) PAYEE STATEMENT.—The term “payee statement” means any statement required to be furnished under—  
(A) \* \* \*

\* \* \* \* \*

[(W) section 4093(c)(4)(B) (relating to certain purchasers of diesel and aviation fuels),]

[(X) (W) section 408(i) (relating to reports with respect to individual retirement plans) to any person other than the Secretary with respect to the amount of payments made to such person,

[(Y) (X) section 6047(d) (relating to reports by plan administrators) to any person other than the Secretary with respect to the amount of payments made to such person,

[(Z) (Y) section 6050S(d) (relating to returns relating to qualified tuition and related expenses),

[(AA) (Z) section 264(f)(5)(A)(iv) (relating to reporting with respect to certain life insurance and annuity contracts), or

[(BB) (AA) section 6050T (relating to returns relating to credit for health insurance costs of eligible individuals).

\* \* \* \* \*

**SEC. 6725. FAILURE TO REPORT INFORMATION UNDER SECTION 4101.**

(a) *IN GENERAL.*—*In the case of each failure described in subsection (b) by any person with respect to a vessel or facility, such person shall pay a penalty of \$10,000 in addition to the tax (if any).*

(b) *FAILURES SUBJECT TO PENALTY.*—*For purposes of subsection (a), the failures described in this subsection are—*

*(1) any failure to make a report under section 4101(d) on or before the date prescribed therefor, and*

*(2) any failure to include all of the information required to be shown on such report or the inclusion of incorrect information.*

(c) *REASONABLE CAUSE EXCEPTION.*—*No penalty shall be imposed under this section with respect to any failure if it is shown that such failure is due to reasonable cause.*

\* \* \* \* \*

**CHAPTER 75—CRIMES, OTHER OFFENSES, AND FORFEITURES**

\* \* \* \* \*

**Subchapter A—Crimes**

\* \* \* \* \*

**PART II—PENALTIES APPLICABLE TO CERTAIN TAXES**

\* \* \* \* \*

**SEC. 7232. FAILURE TO REGISTER UNDER SECTION 4101, FALSE REPRESENTATIONS OF REGISTRATION STATUS, ETC.**

Every person who fails to register as required by section 4101, or who in connection with any purchase of any taxable fuel (as defined in section 4083), or aviation fuel falsely represents himself to be registered as provided by section 4101, or who willfully makes any false statement in an application for registration under section 4101, shall, upon conviction thereof, be fined not more than **[\$5,000]** *\$10,000*, or imprisoned not more than 5 years, or both, together with the costs of prosecution.

\* \* \* \* \*

**Subchapter B—Other Offenses**

\* \* \* \* \*

**SEC. 7272. PENALTY FOR FAILURE TO REGISTER.**

(a) **IN GENERAL.**—Any person (other than persons required to register under subtitle E, or persons engaging in a trade or business on which a special tax is imposed by such subtitle) who fails to register with the Secretary as required by this title or by regulations issued thereunder shall be liable to a penalty of \$50 (*\$10,000 in the case of a failure to register under section 4101*).

\* \* \* \* \*

**Subtitle I—Trust Fund Code**

\* \* \* \* \*

**CHAPTER 98—TRUST FUND CODE**

\* \* \* \* \*

**Subchapter A—Establishment of Trust Funds**

\* \* \* \* \*

**SEC. 9502. AIRPORT AND AIRWAY TRUST FUND.**

(a) \* \* \*

(b) **TRANSFERS TO AIRPORT AND AIRWAY TRUST FUND.**—There are hereby appropriated to the Airport and Airway Trust Fund amounts equivalent to—

- (1) the taxes received in the Treasury under—
  - (A) subsections (c) and (e) of section 4041 (relating to aviation fuels),
  - (B) sections 4261 and 4271 (relating to transportation by air), *and*
  - [(C) section 4081 (relating to gasoline) with respect to aviation gasoline,**
  - [(D) section 4091 (relating to aviation fuel), and]**
  - (C) section 4081 with respect to aviation gasoline and aviation-grade kerosene, and*

\* \* \* \* \*

【There shall not be taken into account under paragraph (1) so much of the taxes imposed by sections 4081 and 4091 as are determined at the rates specified in section 4081(a)(2)(B) or 4091(b)(2).】  
*There shall not be taken into account under paragraph (1) so much of the taxes imposed by section 4081 as are determined at the rate specified in section 4081(a)(2)(B).*

\* \* \* \* \*

**SEC. 9503. HIGHWAY TRUST FUND.**

(a) \* \* \*

(b) TRANSFER TO HIGHWAY TRUST FUND OF AMOUNTS EQUIVALENT TO CERTAIN TAXES AND PENALTIES.—

(1) 【IN GENERAL】 CERTAIN TAXES.—There are hereby appropriated to the Highway Trust Fund amounts equivalent to the taxes received in the Treasury before October 1, 2005, under the following provisions—

(A) \* \* \*

\* \* \* \* \*

*For purposes of this paragraph, the amount of taxes received under section 4081 shall include any amount treated as a payment under section 6427(f)(1)(A) and shall not be reduced by the amount paid under section 6427(f)(1)(B).*

\* \* \* \* \*

(4) CERTAIN TAXES NOT TRANSFERRED TO HIGHWAY TRUST FUND.—For purposes of paragraphs (1) and (2), there shall not be taken into account the taxes imposed by—

(A) section 4041(d),

(B) section 4081 to the extent attributable to the rate specified in section 4081(a)(2)(B), or

(C) section 4041 or 4081 to the extent attributable to fuel used in a train【,】.

【(D) in the case of gasoline and special motor fuels used as described in paragraph (4)(D) or (5)(B) of subsection (c), section 4041 or 4081 with respect to so much of the rate of tax as exceeds 11.5 cents per gallon,

【(E) in the case of fuels described in section 4041(b)(2)(A), 4041(k), or 4081(c), section 4041 or 4081 before October 1, 2005, with respect to a rate equal to 2.5 cents per gallon, or

【(F) in the case of fuels described in section 4081(c)(2), such section before October 1, 2005, with respect to a rate equal to 2.8 cents per gallon.】

(5) CERTAIN PENALTIES.—*There are hereby appropriated to the Highway Trust Fund amounts equivalent to the penalties paid under sections 6715, 6715A, 6717, 6718, 6725, 7232, and 7272 (but only with regard to penalties under such section related to failure to register under section 4101).*

【(5)】 (6) LIMITATION ON TRANSFERS TO HIGHWAY TRUST FUND.—

(A) \* \* \*

\* \* \* \* \*

(c) EXPENDITURES FROM HIGHWAY TRUST FUND.—

(1) \* \* \*

(2) TRANSFERS FROM HIGHWAY TRUST FUND FOR CERTAIN REPAYMENTS AND CREDITS.—

(A) IN GENERAL.—The Secretary shall pay from time to time from the Highway Trust Fund into the general fund of the Treasury amounts equivalent to—

(i) \* \* \*

\* \* \* \* \*

The amounts payable from the Highway Trust Fund under this subparagraph or paragraph (3) shall be determined by taking into account only the portion of the taxes which are deposited into the Highway Trust Fund. *Clauses (i)(III) and (ii) shall not apply to claims under section 6427(f)(1)(B).*

\* \* \* \* \*

**SEC. 9508. LEAKING UNDERGROUND STORAGE TANK TRUST FUND.**

(a) \* \* \*

(b) TRANSFERS TO TRUST FUND.—There are hereby appropriated to the Leaking Underground Storage Tank Trust Fund amounts equivalent to—

(1) \* \* \*

\* \* \* \* \*

[(3) taxes received in the Treasury under section 4091 (relating to tax on aviation fuel) to the extent attributable to the Leaking Underground Storage Tank Trust Fund financing rate under such section,]

[(4) (3) taxes received in the Treasury under section 4042 (relating to tax on fuel used in commercial transportation on inland waterways) to the extent attributable to the Leaking Underground Storage Tank Trust Fund financing rate under such section, and

[(5) (4) amounts received in the Treasury and collected under section 9003(h)(6) of the Solid Waste Disposal Act.

For purposes of this subsection, there shall not be taken into account the taxes imposed by sections 4041 and 4081 on diesel fuel sold for use or used as fuel in a diesel-powered boat.

(c) EXPENDITURES.—

(1) \* \* \*

(2) TRANSFERS FROM TRUST FUND FOR CERTAIN REPAYMENTS AND CREDITS.—

(A) IN GENERAL.—The Secretary shall pay from time to time from the Leaking Underground Storage Tank Trust Fund into the general fund of the Treasury amounts equivalent to—

(i) \* \* \*

\* \* \* \* \*

with respect to the taxes imposed by section 4041(d) or by [sections 4081 and 4091] *section 4081* (to the extent attributable to the Leaking Underground Storage Tank Trust Fund financing rate under such sections).

\* \* \* \* \*