

104TH CONGRESS
1ST SESSION

H. R. 1821

To amend the Internal Revenue Code of 1986 to provide that the diesel fuel tax on recreational boats shall be imposed only at the retail level.

IN THE HOUSE OF REPRESENTATIVES

JUNE 13, 1995

Mr. FARR (for himself, Mr. BLILEY, Mr. STUDDS, Mr. GILCHREST, Mr. PALLONE, Ms. PELOSI, Mr. GEJDENSON, Mr. ACKERMAN, Mr. BENTSEN, Mr. SAXTON, Mr. MORAN, Mr. TAUZIN, Mr. PETERSON of Florida, Ms. LOFGREN, and Mr. MARTINEZ) 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 provide that the diesel fuel tax on recreational boats shall be imposed only at the retail level.

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 BOATS.**

6 (a) TAX-FREE SALES.—Subsection (b) of section
7 4082 of the Internal Revenue Code of 1986 (relating to
8 exemptions for diesel fuel) is amended by striking “and”

1 at the end of paragraph (2), by striking the period at the
2 end of paragraph (3) and inserting “, and”, and by adding
3 at the end the following new paragraph:

4 “(4) any use in diesel-powered boats.”

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

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

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

16 “(1) sells or holds for sale dyed fuel for use in,
17 or uses dyed fuel in, any diesel-powered boat, and

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

20 (2) NONTAXABLE USE.—Paragraph (2) of sec-
21 tion 6714(d) of such Code, as redesignated by para-
22 graph (1), is amended by inserting “paragraphs (1),
23 (2), and (3) of” before “section”.

24 (3) TECHNICAL AMENDMENTS.—

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

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

13 (c) EFFECTIVE DATES.—

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

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

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