

105TH CONGRESS  
1ST SESSION

# S. 444

To amend the Internal Revenue Code to impose a tax on the manufacture and importation of tires, and for other purposes.

---

IN THE SENATE OF THE UNITED STATES

MARCH 14, 1997

Mr. CHAFEE (for himself and Mr. DODD) introduced the following bill; which was read twice and referred to the Committee on Finance

---

## A BILL

To amend the Internal Revenue Code to impose a tax on the manufacture and importation of tires, and for other purposes.

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. EXCISE TAX ON MANUFACTURE AND IMPORTA-**  
4 **TION OF TIRES.**

5 (a) IN GENERAL.—Chapter 38 of the Internal Reve-  
6 nue Code of 1986 (relating to environmental taxes) is  
7 amended by adding at the end the following:

8 **“Subchapter E—Tax on Tires**

“Sec. 4691. Imposition of tax.

1 **“SEC. 4691. IMPOSITION OF TAX.**

2       “(a) GENERAL RULE.—There is imposed a tax on the  
3 manufacture or importation of tires of any type, including  
4 solid and pneumatic tires.

5       “(b) AMOUNT OF TAX.—The amount of the tax im-  
6 posed by subsection (a) shall be 50 cents per tire.

7       “(c) LIABILITY FOR TAX.—The tax imposed by sub-  
8 section (a) shall be paid by the manufacturer or importer  
9 of the tire not later than 30 days after the end of each  
10 calendar quarter for each tire manufactured or imported  
11 during such quarter.

12       “(d) TIRES ON IMPORTED ARTICLES.—For purposes  
13 of subsection (a), if an article imported into the United  
14 States is equipped with tires, the importer of the article  
15 shall be treated as the importer of the tires with which  
16 such article is equipped.

17       “(e) EFFECTIVE DATE.—The tax imposed by this  
18 section shall apply to tires manufactured or imported after  
19 December 31, 1997, and before January 1, 2003.”.

20       (b) CONFORMING AMENDMENT.—The table of sub-  
21 chapters for chapter 38 of such Code is amended by add-  
22 ing after the item relating to subchapter D the following:

“SUBCHAPTER E. Tax on tires.”.

1 **SEC. 2. ESTABLISHMENT OF TIRE RECYCLING, ABATE-**  
 2 **MENT, AND DISPOSAL TRUST FUND.**

3 (a) IN GENERAL.—Subchapter A of chapter 98 of the  
 4 Internal Revenue Code of 1986 (relating to the establish-  
 5 ment of trust funds) is amended by adding after section  
 6 9511 the following:

7 **“SEC. 9512. WASTE TIRE RECYCLING, ABATEMENT, AND DIS-**  
 8 **POSAL TRUST FUND.**

9 “(a) CREATION OF TRUST FUND.—There is estab-  
 10 lished in the Treasury of the United States a trust fund  
 11 to be known as the “Waste Tire Recycling, Abatement,  
 12 and Disposal Trust Fund” consisting of such amounts as  
 13 may be appropriated or credited to such Trust Fund as  
 14 provided in this section or section 9602(b).

15 “(b) TRANSFERS TO TRUST FUND.—There are ap-  
 16 propriated to the Waste Tire Recycling, Abatement, and  
 17 Disposal Trust Fund amounts equivalent to—

18 “(1) taxes received in the Treasury under sec-  
 19 tion 4691 (relating to an assessment on motor vehi-  
 20 cle tires); and

21 “(2) amounts received in the Treasury and col-  
 22 lected under section 4011 of the Solid Waste Dis-  
 23 posal Act.

24 “(c) EXPENDITURES.—Amounts in the Waste Tire  
 25 Recycling, Abatement, and Disposal Trust Fund shall be  
 26 available, as provided in appropriation Acts, only for the

1 purpose of making expenditures to carry out the purposes  
2 of section 4011 of the Solid Waste Disposal Act.

3 “(d) AUTHORITY TO BORROW.—

4 “(1) IN GENERAL.—There are authorized to be  
5 appropriated to the Waste Tire Recycling, Abate-  
6 ment, and Disposal Trust Fund, as repayable ad-  
7 vances, such sums as may be necessary to carry out  
8 the purposes of section 4011(k) of the Solid Waste  
9 Disposal Act.

10 “(2) LIMITATION ON AGGREGATE ADVANCES.—

11 The maximum aggregate amount of repayable ad-  
12 vances to the Waste Tire Recycling, Abatement, and  
13 Disposal Trust Fund which is outstanding at any  
14 one time shall not exceed an amount equal to the  
15 amount which the Secretary estimates will be equal  
16 to the sum of the amounts received from the tax im-  
17 posed by section 4691 during any 2-year period.

18 “(3) REPAYMENT OF ADVANCES.—

19 “(A) IN GENERAL.—Advances made to the  
20 Waste Tire Recycling, Abatement, and Disposal  
21 Trust Fund shall be repaid, and interest on  
22 such advances shall be paid, to the general fund  
23 of the Treasury when the Secretary determines  
24 that moneys are available for such purposes in

1 the Waste Tire Recycling, Abatement, and Dis-  
2 posal Trust Fund.

3 “(B) DATE FOR TERMINATION OF AD-  
4 VANCES.—No advance shall be paid to the  
5 Trust Fund after December 31, 2001 and all  
6 advances to the Trust Fund shall be repaid on  
7 or before such date.

8 “(C) INTEREST RATE ON ADVANCES.—In-  
9 terest on advances made to the Trust Fund  
10 shall be at a rate determined by the Secretary  
11 to be equal to the current market yield on out-  
12 standing marketable obligations of the United  
13 States with remaining periods to maturity com-  
14 parable to the anticipated period during which  
15 the advance will be outstanding, and shall be  
16 compounded annually.”.

17 (b) CONFORMING AMENDMENT.—The table of  
18 sections for subchapter A of chapter 98 of such  
19 Code is amended by adding after the item relating  
20 to section 9511 the following:

“Sec. 9511. Waste Tire Recycling, Abatement, and Disposal  
Trust Fund.”.

○