

106TH CONGRESS
1ST SESSION

S. 1410

To amend the Internal Revenue Code of 1986 with respect to the treatment of certain air transportation.

IN THE SENATE OF THE UNITED STATES

JULY 21, 1999

Mr. STEVENS introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 with respect to the treatment of certain air transportation.

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. AMENDMENT OF THE INTERNAL REVENUE**

4 **CODE OF 1986.**

5 Subsection (j) of section 132 of the Internal Revenue
6 Code of 1986 (relating to certain fringe benefits) is
7 amended by adding at the end thereof the following new
8 paragraph:

9 “(9) SPECIAL RULE FOR CERTAIN NONCOMMER-
10 CIAL AIR TRANSPORTATION.—Notwithstanding any

1 other provision of this section, the term ‘no-addi-
2 tional-cost service’ includes the value of transpor-
3 tation provided to any person on a noncommercially
4 operated aircraft if—

5 “(A) such transportation is provided on a
6 flight made in the ordinary course of the trade
7 or business of the taxpayer owning or leasing
8 such aircraft for use in such trade or business;

9 “(B) the flight on which the transportation
10 is provided would have been made whether or
11 not such person was transported on the flight;
12 and

13 “(C) no substantial additional cost is in-
14 curred in providing such transportation to such
15 person.

16 For purposes of this paragraph, an aircraft is noncommer-
17 cially operated if transportation thereon is not provided
18 or made available to the general public by purchase of a
19 ticket or other fare.”.

20 **SEC. 2. EFFECTIVE DATE.**

21 The amendment made by section 1 shall take effect
22 on January 1, 2000.

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