

107<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 4603

To amend the Internal Revenue Code of 1986 to provide that the segment tax on domestic air transportation shall not apply to segments to or from certain islands.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 25, 2002

Mr. GILLMOR introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to provide that the segment tax on domestic air transportation shall not apply to segments to or from certain islands.

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. EXEMPTION FROM SEGMENT TAX ON DOMES-**  
4 **TIC AIR TRANSPORTATION FOR SEGMENTS**  
5 **TO AND FROM CERTAIN ISLANDS.**

6 (a) IN GENERAL.—Paragraph (1) of section 4261(e)  
7 of the Internal Revenue Code of 1986 (relating to seg-  
8 ments to and from rural airports) is amended by redesi-  
9 gnating subparagraph (C) as subparagraph (D) and by in-

1 serting after subparagraph (B) the following new subpara-  
2 graph:

3 “(C) EXCEPTION FROM SEGMENT TAX FOR  
4 SEGMENTS TO AND FROM CERTAIN ISLANDS.—

5 The tax imposed by subsection (b)(1) shall not  
6 apply to any domestic segment if—

7 “(i) such segment is 30 miles or less,  
8 and

9 “(ii) such segment begins or ends at  
10 an airport located on an island—

11 “(I) which is not connected to  
12 the mainland by any land bridge, and

13 “(II) which has a resident popu-  
14 lation of 1,000 or less (determined on  
15 the basis of the most recent decennial  
16 census for which data are available).”.

17 (b) EFFECTIVE DATE.—The amendment made by  
18 this section shall apply to transportation beginning after  
19 the date of the enactment of this Act, but shall not apply  
20 to amounts paid before such date.

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