

107TH CONGRESS
1ST SESSION

S. 878

To amend the Internal Revenue Code of 1986 to prorate the heavy vehicle use tax between the first and subsequent purchasers of the same vehicle in one taxable period.

IN THE SENATE OF THE UNITED STATES

MAY 15, 2001

Mr. INHOFE 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 to prorate the heavy vehicle use tax between the first and subsequent purchasers of the same vehicle in one taxable period.

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. PRORATION OF HEAVY VEHICLE USE TAX BE-**
4 **TWEEN PURCHASERS OF SAME VEHICLE.**

5 (a) IN GENERAL.—Section 4481(c) of the Internal
6 Revenue Code of 1986 (relating to proration of tax) is
7 amended by adding at the end the following new para-
8 graph:

1 “(3) WHERE VEHICLE SOLD.—

2 “(A) IN GENERAL.—If in any taxable pe-
3 riod a highway motor vehicle is sold before the
4 last day in such period by the person who paid
5 the tax imposed by this section for any portion
6 of such period ending with such last day, the
7 tax shall be reckoned proportionately between
8 such person and the purchaser from the date of
9 the sale.

10 “(B) TREATMENT OF TAXPAYER.—In the
11 case of a person described in subparagraph (A),
12 that portion of the tax imposed by this section
13 so reckoned from the date of the sale shall be
14 credited or refunded (without interest) to such
15 person.

16 “(C) TREATMENT OF PURCHASER.—In the
17 case of the purchaser described in subpara-
18 graph (A), the tax imposed by this section shall
19 be reckoned from the date of the sale to and in-
20 cluding the last day in the taxable period.”.

21 (b) CONFORMING AMENDMENTS.—

22 (1) Section 4481(c)(1) of the Internal Revenue
23 Code of 1986 is amended by striking “If” and in-
24 serting “Except as provided in paragraph (3), if”.

1 (2) Section 4481(d)(1) of such Code is amend-
2 ed by striking “To” and inserting “Except as pro-
3 vided in subsection (c)(3), to”.

4 (c) EFFECTIVE DATE.—The amendments made by
5 this section shall apply to sales occurring after the date
6 of the enactment of this Act.

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