

110TH CONGRESS
2D SESSION

H. R. 5713

To amend the Internal Revenue Code of 1986 to clarify the eligibility for certain fuels credits for fuel with insufficient nexus to the United States.

IN THE HOUSE OF REPRESENTATIVES

APRIL 4, 2008

Mr. SHADEGG 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 clarify the eligibility for certain fuels credits for fuel with insufficient nexus to the United States.

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. SHORT TITLE.**

4 This Act may be cited as the “Splash and Dash Cor-
5 rection Act of 2008”.

6 **SEC. 2. STATEMENT OF CONSTITUTIONAL AUTHORITY.**

7 The Congress enacts this Act pursuant to clause 1
8 of section 8 of Article I of the United States Constitution
9 and Amendment XVI of the United States Constitution.

1 **SEC. 3. CLARIFICATION OF ELIGIBILITY FOR CERTAIN**
2 **FUELS CREDITS FOR FUEL WITH INSUFFI-**
3 **CIENT NEXUS TO THE UNITED STATES.**

4 (a) IN GENERAL.—

5 (1) ALCOHOL CREDIT.—Subsection (d) of sec-
6 tion 40 of the Internal Revenue Code of 1986 is
7 amended by adding at the end the following new
8 paragraph:

9 “(6) LIMITATION TO ALCOHOL WITH CONNEC-
10 TION TO THE UNITED STATES.—

11 “(A) ALCOHOL CREDIT.—No alcohol credit
12 shall be determined under this section with re-
13 spect to any alcohol unless such alcohol is pro-
14 duced in the United States for consumption in
15 the United States or entered into the United
16 States for consumption in the United States.

17 “(B) ALCOHOL MIXTURE CREDIT.—No al-
18cohol mixture credit shall be determined under
19 this section with respect to any mixture unless
20 such mixture is produced in the United States
21 for consumption in the United States or entered
22 into the United States for consumption in the
23 United States.

24 “(C) NO CREDITS FOR ALCOHOL DES-
25 TINED FOR EXPORT.—No credit (other than the
26 small ethanol producer credit) shall be deter-

1 mined under this section with respect to any
2 mixture or alcohol if such mixture or alcohol is
3 destined for export from the United States (as
4 determined by the Secretary).”.

5 (2) BIODIESEL CREDIT.—Subsection (d) of sec-
6 tion 40A of such Code is amended by adding at the
7 end the following new paragraph:

8 “(5) LIMITATION TO BIODIESEL WITH CONNec-
9 TION TO THE UNITED STATES.—

10 “(A) BIODIESEL CREDIT.—No biodiesel
11 credit shall be determined under this section
12 with respect to any biodiesel unless such bio-
13 diesel is produced in the United States for con-
14 sumption in the United States or is entered into
15 the United States for consumption in the
16 United States.

17 “(B) BIODIESEL MIXTURE CREDIT.—No
18 biodiesel mixture credit shall be determined
19 under this section with respect to any mixture
20 unless such mixture is produced in the United
21 States for consumption in the United States or
22 is entered into the United States for consump-
23 tion in the United States.

24 “(C) NO CREDITS FOR BIODIESEL DES-
25 TINED FOR EXPORT.—No credit (other than the

1 small agri-biodiesel producer credit) shall be de-
2 termined under this section with respect to any
3 mixture or biodiesel if such mixture or biodiesel
4 is destined for export from the United States
5 (as determined by the Secretary).”.

6 (3) EXCISE TAX CREDITS.—Section 6426 of
7 such Code is amended by adding at the end the fol-
8 lowing new subsection:

9 “(h) LIMITATION TO FUELS WITH CONNECTION TO
10 THE UNITED STATES.—

11 “(1) MIXTURE CREDITS.—No credit shall be
12 determined under this section with respect to any
13 mixture unless such mixture is produced in the
14 United States for consumption in the United States
15 or is entered into the United States for consumption
16 in the United States.

17 “(2) ALTERNATIVE FUEL CREDIT.—No alter-
18 native fuel credit shall be determined under this sec-
19 tion with respect to any alternative fuel unless such
20 alternative fuel is produced in the United States for
21 consumption in the United States or is entered into
22 the United States for consumption in the United
23 States.

24 “(3) NO CREDITS FOR FUELS DESTINED FOR
25 EXPORT.—No credit shall be determined under this

1 section with respect to any mixture or alternative
2 fuel if such mixture or alternative fuel is destined
3 for export from the United States (as determined by
4 the Secretary).”.

5 (4) PAYMENTS.—Subsection (e) of section 6427
6 of such Code is amended by redesignating paragraph
7 (5) as paragraph (6) and by inserting after para-
8 graph (4) the following new paragraph:

9 “(5) LIMITATION TO FUELS WITH CONNECTION
10 TO THE UNITED STATES.—No amount shall be pay-
11 able under paragraph (1) or (2) with respect to any
12 mixture or alternative fuel if credit is not allowed
13 with respect to such mixture or alternative fuel by
14 reason of section 6426(h).”.

15 (b) EFFECTIVE DATE.—The amendments made by
16 this section shall apply to fuel sold or used after the date
17 of the enactment of this Act.

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