

110TH CONGRESS  
1ST SESSION

# S. 2401

To amend the Internal Revenue Code of 1986 to allow a refund of motor fuel excise taxes for the actual off-highway use of certain mobile machinery vehicles.

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## IN THE SENATE OF THE UNITED STATES

DECEMBER 3, 2007

Ms. CANTWELL (for herself, Mr. ALLARD, Mr. ISAKSON, Mr. SALAZAR, and Mr. BROWNBACK) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to allow a refund of motor fuel excise taxes for the actual off-highway use of certain mobile machinery vehicles.

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. REFUND OF MOTOR FUEL EXCISE TAXES FOR**  
4 **ACTUAL OFF-HIGHWAY USE OF CERTAIN MO-**  
5 **BILE MACHINERY VEHICLES.**

6 (a) IN GENERAL.—Subparagraph (C) of section  
7 6421(e)(2) of the Internal Revenue Code of 1986 (relating  
8 to off-highway business use of mobile machinery) is  
9 amended by adding at the end the following new clauses:

1                   “(v) USE OF MOBILE MACHINERY  
2 WITH GREATER HIGHWAY MILES.—If—

3                   “(I) a vehicle meets the require-  
4 ments of clause (iii) but does not (but  
5 for this clause) meet the requirements  
6 of clause (iv), and

7                   “(II) more than 50 percent of  
8 the fuel use of such vehicle during a  
9 taxable year is in non-propulsive oper-  
10 ations,

11 such vehicle shall be treated as meeting the  
12 requirements of clause (iv) for such taxable  
13 year.

14                   “(vi) AMOUNT OF FUEL USED IN  
15 NON-PROPULSIVE OPERATIONS.—For pur-  
16 poses of vehicles described in clause (v),

17                   “(I) only the fuel used in non-  
18 propulsive operations may be taken  
19 into account as off-highway business  
20 use of such vehicle for such taxable  
21 year, and

22                   “(II) the Secretary shall establish  
23 standard percentage exemption rates  
24 for vehicle types that the Secretary

1 determines to qualify under clause  
2 (v).”.

3 (b) REFUNDS BORNE BY GENERAL FUND.—Para-  
4 graph (2) of section 9503(e) of such Code (relating to  
5 transfers from Highway Trust Fund for certain repay-  
6 ment and credits) is amended by adding at the end the  
7 following new subparagraph:

8 “(D) EXCEPTION FOR USE IN CERTAIN  
9 MOBILE MACHINERY.—Subparagraph (A) shall  
10 not apply to amounts paid by reason of clauses  
11 (v) and (vi) of section 6421(e)(2)(C).”.

12 (c) EFFECTIVE DATE.—The amendments made by  
13 this section shall apply to taxes on fuel used in taxable  
14 years beginning after the date of the enactment of this  
15 Act.

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