AMENDMENT TO THE SENATE AMENDMENTS TO
H.R. 22
OFFERED BY MR. DEFAZIO OF OREGON

Add at the end of subtitle A of title LI the following:

SEC. 51103. INDEXATION OF GASOLINE AND DIESEL FUELS TAX.

(a) In General.—Section 4081(a)(2) of the Internal Revenue Code of 1986 is amended by adding at the end the following new subparagraph:

"(E) Index for highway construction cost inflation and fuel efficiency.—

"(i) In General.—In the case of any calendar year after 2015, the 18.3 cents rate in subparagraph (A)(i), the 24.3 cents rate in subparagraph (A)(iii), and the 19.7 cents rate in subparagraph (D), shall each be increased by an amount equal to—

"(I) such dollar amount, multiplied by

"(II) the indexation for the calendar year."
Any increase determined under subparagraph (A) shall be rounded to the nearest tenth of a cent.

“(ii) EXCEPTION FOR FUEL USED IN AVIATION.—The adjustment under clause (i) shall not apply with respect to the rate of tax under subparagraph (A)(iii) by reason of subparagraph (C).

“(iii) INDEXATION.—For purposes of clause (i), the indexation for any calendar year is the sum of—

“(I) the highway construction cost adjustment, and

“(II) the CAFÉ fuel saved adjustment.

“(iv) HIGHWAY CONSTRUCTION COST ADJUSTMENT.—For purposes of clause (iii), the highway construction cost adjustment for any calendar year is the percentage (if any) by which—

“(I) the National Highway Construction Cost Index for the preceding calendar year, exceeds
“(II) the National Highway Construction Cost Index for calendar year 2014.

“(v) NATIONAL HIGHWAY CONSTRUCTION COST INDEX FOR ANY CALENDAR YEAR.—For purposes of clause (iv), the National Highway Construction Cost Index for any calendar year is the average of the National Highway Construction Cost Index as of the close of the 12-month period ending on August 31 of such calendar year.

“(vi) NATIONAL HIGHWAY CONSTRUCTION COST INDEX.—For purposes of clause (iv), the term ‘National Highway Construction Cost Index’ means the last National Highway Construction Cost Index published by the Department of Transportation.

“(vii) CAFE FUEL SAVED ADJUSTMENT.—For purposes of clause (iii), the CAFÉ fuel saved adjustment for a calendar year is the percentage (if any) by which annual motor fuel use is reduced by the estimated CAFÉ fuel saved for that
calendar year from the annual motor fuel
use for the prior calendar year.

“(viii) ESTIMATED CAFE FUEL
SAVED.—The term ‘estimated CAFÉ fuel
saved’ for a calendar year means the com-
bined fuel saved estimates issued by the
National Highway Traffic Safety Adminis-
tration and the Environmental Protection
Agency for passenger automobiles and
light trucks and published in the Federal
Register on May 7, 2010, and October 15,
2012, as part of final rules to implement
corporate average fuel economy standards,
and such successor estimates included in
successor rules.

“(ix) ANNUAL MOTOR FUEL USE.—
The term ‘annual motor fuel use’ means
the total number of gallons of gasoline
used in a calendar year in highway use, as
published by the Federal Highway Admin-
istration as part of its annual motor fuel
use survey.

“(x) NOTICE.—Not later than December
15, 2015, and annually thereafter, the
Secretary shall publish the rates of tax as
adjusted under this subparagraph for the succeeding calendar year.”.

(b) RETAIL FUEL EXCISE TAX.—Section 4041(a) of such Code is amended by adding at the end the following new paragraph:

“(4) HIGHWAY INFLATION ADJUSTMENT.—

“(A) IN GENERAL.—In the case of any calendar year after 2015, each dollar amount in paragraphs (1)(C)(iii)(I), (2)(B)(ii), and (3)(A) of this subsection and in subsections (b)(2)(A)(i), (b)(2)(C)(i), and (m)(1) shall be increased by an amount equal to—

“(i) such dollar amount, multiplied by

“(ii) the indexation determined under section 4081(a)(2)(E) for the calendar year.

“(B) ROUNDING.—Any increase determined under subparagraph (A) shall be rounded to the nearest tenth of a cent.”.

(e) CONFORMING AMENDMENT.—Section 4081(a)(2)(A) of such Code is amended by striking “The rate” and inserting “Except as provided in subparagraph (C), the rate”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to periods beginning after December 31, 2015.