AMENDMENT TO SENATE AMENDMENTS TO H.R. 22
OFFERED BY MR. RICE OF SOUTH CAROLINA

Page 11, after the item relating section 51203, insert the following:

Subtitle C—Highway Trust Fund Certainty

Sec. 51301. Increase in fuels taxes.
Sec. 51302. Working citizens tax relief.

Page 895, after line 13, insert the following:

Subtitle C—Highway Trust Fund Certainty

SEC. 51301. INCREASE IN FUELS TAXES.

(a) MOTOR FUELS.—

(1) REPEAL OF TERMINATION.—Section 4081(d) of the Internal Revenue Code of 1986 is amended by striking paragraph (1) and redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively.

(2) INFLATION ADJUSTMENT.—Section 4081(a)(2) of such Code is amended—

(A) in subparagraph (A)(i) by striking “18.3 cents per gallon” and inserting “28.4 cents per gallon”,

November 3, 2015 (10:33 a.m.)
(B) in subparagraph (A)(iii) by striking “24.3 cents per gallon” and inserting “34.4 cents per gallon”,

(C) in subparagraph (D) by striking “substituting ‘19.7 cents’ for ‘24.3 cents’” and inserting “substituting ‘27.9 cents’ for ‘34.4 cents’”, and

(D) by adding at the end the following:

“(E) ADJUSTMENT FOR INFLATION.—In the case of a calendar year beginning after December 31, 2015, the rates of tax in subparagraph (A) (i) and (iii) and subparagraph (D) shall each be increased by an amount equal to—

“(i) such rate, multiplied by

“(ii) the cost of living adjustment determined under section 1(f)(3) for the calendar year, determined by substituting ‘calendar year 2014’ for ‘calendar year 1992’ in subparagraph (B) thereof.

Any increase under the preceding sentence shall be rounded to the nearest 0.1 cents.”.

(b) SPECIAL FUELS.—

(1) INCREASE AND EXTENSION.—Section 4041 of such Code is amended—
(A) in subsection (a)(1)(C)(iii)(I) by striking “7.3 cents per gallon (4.3 cents per gallon after September 30, 2016)” and inserting “17.4 cents per gallon”,

(B) in subsection (a)(2)(B)(ii) by striking “24.3 cents per gallon” and inserting “34.4 cents per gallon”, and

(C) in subsection (a)(3)(A) by striking “18.3 cents” and inserting “28.4 cents”.

(2) ADJUSTMENT FOR INFLATION.—Section 4041(a) of such Code is amended by adding at the end the following:

“(4) ADJUSTMENT FOR INFLATION.—In the case of a calendar year beginning after December 31, 2015, the rates of tax in paragraphs (1)(C)(iii)(I), (2)(B)(ii), and (3)(A) shall each be increased by an amount equal to—

“(A) such rate, multiplied by

“(B) the cost of living adjustment determined under section 1(f)(3) for the calendar year, determined by substituting ‘calendar year 2014’ for ‘calendar year 1992’ in subparagraph (B) thereof.

Any increase under the preceding sentence shall be rounded to the nearest 0.1 cents.”.
(3) CERTAIN ALCOHOL FUELS.—

(A) PERMANENT EXTENSION.—Section 4041(m)(1) of such Code is amended—

(i) in subparagraph (A) by striking ‘‘,
and before October 1, 2016’’,

(ii) in subparagraph (A)(i) by striking
‘‘9.15 cents per gallon’’ and inserting
‘‘19.25 cents per gallon’’,

(iii) in subparagraph (A)(ii) by strik-
ing ‘‘11.3 cents per gallon’’ and inserting
‘‘21.4 cents per gallon’’,

(iv) by striking subparagraph (B),
and

(v) by redesignating clauses (i) and
(ii) of subparagraph (A) (as amended by
clauses (ii) and (iii)) as subparagraphs (A)
and (B), respectively, and moving such
subparagraphs (as so redesignated) 2 ems
to the left.

(B) ADJUSTMENT FOR INFLATION.—Sec-
tion 4041(m) of such Code is amended by add-
ing at the end the following:

‘‘(3) ADJUSTMENT FOR INFLATION.—In the
case of a calendar year beginning after December
31, 2015, the rates of tax in paragraph (1) (A) and (B) shall each be increased by an amount equal to—

“(A) such rate, multiplied by

“(B) the cost of living adjustment determined under section 1(f)(3) for the calendar year, determined by substituting ‘calendar year 2014’ for ‘calendar year 1992’ in subparagraph (B) thereof.

Any increase under the preceding sentence shall be rounded to the nearest 0.1 cents.”.

(4) FUEL USED IN CERTAIN BUSES.—

(A) PERMANENT EXTENSION.—Section 6427(b)(2)(A) of such Code is amended by striking “7.4 cents” and inserting “17.5 cents”.

(B) ADJUSTMENT FOR INFLATION.—Section 6427(b) of such Code is amended by adding at the end the following:

“(5) ADJUSTMENT FOR INFLATION.—In the case of calendar years beginning January 1, 2016—

“(A) the rate of tax in paragraph (2)(A) shall be increased by 10.1 cents, and

“(B) such rate (as increased by subparagraph (A)) shall be increased by an amount equal to such rate (as so increased) multiplied by the cost of living adjustment determined
under section 1(f)(3) for the calendar year, determined by substituting ‘calendar year 2014’ for ‘calendar year 1992’ in subparagraph (B) thereof, and rounded to the nearest 0.1 cents.”.

(c) Effective Date.—The amendments made by this section shall apply to years beginning after December 31, 2015.

(d) Floor Stocks Tax.—

(1) Imposition of Tax.—In the case of any highway motor fuel which is held on January 1, 2016, by any person, there is hereby imposed a floor stocks tax equal to the excess of—

(A) the tax which would be imposed on such fuel had the amendments made by this section applied to highway motor fuels for periods before January 1, 2016, over

(B) the tax (if any) previously paid (and not credited or refunded) on such fuel.

(2) Liability for Tax and Method of Payment.—

(A) Liability for Tax.—The person holding the highway motor fuel on January 1, 2016, to which the tax imposed by paragraph (1) applies shall be liable for such tax.
(B) METHOD OF PAYMENT.—The tax imposed by paragraph (1) shall be paid at such time and in such manner as the Secretary of the Treasury (or the Secretary’s delegate) shall prescribe.

(3) DEFINITIONS.—For purposes of this subsection—

(A) HIGHWAY MOTOR FUEL.—The term “highway motor fuel” means any fuel the tax rate of which is increased by an amendment made by this section.

(B) HELD BY A PERSON.—A highway motor fuel shall be considered as held by a person if title thereto has passed to such person (whether or not delivery to the person has been made).

(C) SECRETARY.—The term “Secretary” means the Secretary of the Treasury or the Secretary’s delegate.

(4) EXCEPTION FOR EXEMPT USES.—The tax imposed by paragraph (1) shall not apply to any highway motor fuel held by any person exclusively for any use to the extent a credit or refund of the tax is allowable for such use.
(5) Exception for certain amounts of fuel.—

(A) In general.—No tax shall be imposed by paragraph (1) on any highway motor fuel held on January 1, 2016, by any person if the aggregate amount of such highway motor fuel held by such person on such date does not exceed 2,000 gallons. The preceding sentence shall apply only if such person submits to the Secretary (at the time and in the manner required by the Secretary) such information as the Secretary shall require for purposes of this subparagraph.

(B) Exempt fuel.—For purposes of subparagraph (A), there shall not be taken into account any highway motor fuel held by any person which is exempt from the tax imposed by paragraph (1) by reason of paragraph (4).

(C) Controlled groups.—For purposes of this subsection—

(i) Corporations.—

(I) In general.—All persons treated as a controlled group shall be treated as 1 person.
(II) CONTROLLED GROUP.—The term “controlled group” has the meaning given to such term by subsection (a) of section 1563 of such Code; except that for such purposes the phrase “more than 50 percent” shall be substituted for the phrase “at least 80 percent” each place it appears in such subsection.

(ii) NONINCORPORATED PERSONS UNDER COMMON CONTROL.—Under regulations prescribed by the Secretary, principles similar to the principles of subparagraph (A) shall apply to a group of persons under common control if 1 or more of such persons is not a corporation.

(6) OTHER LAWS APPLICABLE.—All provisions of law, including penalties, applicable with respect to the taxes imposed by sections 4041 and 4081 of such Code shall, insofar as applicable and not inconsistent with the provisions of this subsection, apply with respect to the floor stock taxes imposed by paragraph (1) to the same extent as if such taxes were imposed by such sections.
SEC. 51302. WORKING CITIZENS TAX RELIEF.

(a) IN GENERAL.—Subpart C of part IV of sub-
chapter A of chapter 1 of the Internal Revenue Code of
1986 is amended by inserting after section 36 the fol-
lowing new section:

“SEC. 36A. WORKING CITIZENS CREDIT.

“(a) ALLOWANCE OF CREDIT.—In the case of an eli-
gible individual, there shall be allowed as a credit against
the tax imposed by this subtitle for the calendar years be-
inning after December 31, 2015, an amount equal to the
lesser of—

“(1) 3.1 percent of earned income of the tax-
payer, or
“(2) $133 ($266 in the case of a joint return).

“(b) LIMITATION BASED ON MODIFIED ADJUSTED
GROSS INCOME.—

“(1) IN GENERAL.—The amount allowable as a
credit under subsection (a) (determined without re-
gard to this paragraph and subsection (c)) for the
taxable year shall be reduced (but not below zero) by
one percent of so much of the taxpayer’s modified
adjusted gross income as exceeds $74,950 ($149,900
in the case of a joint return).

“(2) MODIFIED ADJUSTED GROSS INCOME.—
For purposes of subparagraph (A), the term ‘modi-
fied adjusted gross income’ means the adjusted
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gross income of the taxpayer for the taxable year in-
creased by any amount excluded from gross income
under section 911, 931, or 933.

“(c) Definitions and Special Rules.—For pur-
poses of this section—

“(1) Eligible individual.—

“(A) In general.—The term ‘eligible in-
dividual’ means any individual other than—

“(i) any nonresident alien individual,

“(ii) any individual with respect to
whom a deduction under section 151 is al-
lockable to another taxpayer for a taxable
year beginning in the calendar year in
which the individual’s taxable year begins,
and

“(iii) an estate or trust.

“(B) Identification number requirement.—Such term shall not include any indi-
vidual who does not include on the return of tax
for the taxable year—

“(i) such individual’s social security
account number, and

“(ii) in the case of a joint return, the
social security account number of one of
the taxpayers on such return.
For purposes of the preceding sentence, the social security account number shall not include a TIN issued by the Internal Revenue Service.

“(2) EARNED INCOME.—The term ‘earned income’ has the meaning given such term by section 32(c)(2), except that such term shall not include net earnings from self-employment which are not taken into account in computing taxable income. For purposes of the preceding sentence, any amount excluded from gross income by reason of section 112 shall be treated as earned income which is taken into account in computing taxable income for the taxable year.”.

(b) REFUNDS DISREGARDED IN THE ADMINISTRATION OF FEDERAL PROGRAMS AND FEDERALLY ASSISTED PROGRAMS.—Any credit or refund allowed or made to any individual by reason of section 36A of the Internal Revenue Code of 1986 (as added by this section) or by reason of subsection (b) of this section shall not be taken into account as income and shall not be taken into account as resources for the month of receipt and the following 2 months, for purposes of determining the eligibility of such individual or any other individual for benefits or assistance, or the amount or extent of benefits or assistance, under any Federal program or under any State or
local program financed in whole or in part with Federal funds.

(c) Authority Relating to Clerical Errors.—Section 6213(g)(2) of such Code is amended by striking “and” at the end of subparagraph (M), by striking the period at the end of subparagraph (N) and inserting “, and”, and by adding at the end the following new subpar- graph:

“(O) an omission of the correct social security account number required under section 36A(c)(1)(B).”.

(d) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2015.