

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:

1 **Subtitle C—Highway Trust Fund**
2 **Certainty**

3 **SEC. 51301. INCREASE IN FUELS TAXES.**

4 (a) MOTOR FUELS.—

5 (1) REPEAL OF TERMINATION.—Section
6 4081(d) of the Internal Revenue Code of 1986 is
7 amended by striking paragraph (1) and redesignig-
8 nating paragraphs (2) and (3) as paragraphs (1)
9 and (2), respectively.

10 (2) INFLATION ADJUSTMENT.—Section
11 4081(a)(2) of such Code is amended—

12 (A) in subparagraph (A)(i) by striking
13 “18.3 cents per gallon” and inserting “28.4
14 cents per gallon”,

1 (B) in subparagraph (A)(iii) by striking
2 “24.3 cents per gallon” and inserting “34.4
3 cents per gallon”,

4 (C) in subparagraph (D) by striking “sub-
5 stituting ‘19.7 cents’ for ‘24.3 cents’” and in-
6 serting “substituting ‘27.9 cents’ for ‘34.4
7 cents’”, and

8 (D) by adding at the end the following:

9 “(E) ADJUSTMENT FOR INFLATION.—In
10 the case of a calendar year beginning after De-
11 cember 31, 2015, the rates of tax in subpara-
12 graph (A) (i) and (iii) and subparagraph (D)
13 shall each be increased by an amount equal
14 to—

15 “(i) such rate, multiplied by

16 “(ii) the cost of living adjustment de-
17 termined under section 1(f)(3) for the cal-
18 endar year, determined by substituting
19 ‘calendar year 2014’ for ‘calendar year
20 1992’ in subparagraph (B) thereof.

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

23 (b) SPECIAL FUELS.—

24 (1) INCREASE AND EXTENSION.—Section 4041
25 of such Code is amended—

1 (A) in subsection (a)(1)(C)(iii)(I) by strik-
2 ing “7.3 cents per gallon (4.3 cents per gallon
3 after September 30, 2016)” and inserting “17.4
4 cents per gallon”,

5 (B) in subsection (a)(2)(B)(ii) by striking
6 “24.3 cents per gallon” and inserting “34.4
7 cents per gallon”, and

8 (C) in subsection (a)(3)(A) by striking
9 “18.3 cents” and inserting “28.4 cents”.

10 (2) ADJUSTMENT FOR INFLATION.—Section
11 4041(a) of such Code is amended by adding at the
12 end the following:

13 “(4) ADJUSTMENT FOR INFLATION.—In the
14 case of a calendar year beginning after December
15 31, 2015, the rates of tax in paragraphs
16 (1)(C)(iii)(I), (2)(B)(ii), and (3)(A) shall each be in-
17 creased by an amount equal to—

18 “(A) such rate, multiplied by

19 “(B) the cost of living adjustment deter-
20 mined under section 1(f)(3) for the calendar
21 year, determined by substituting ‘calendar year
22 2014’ for ‘calendar year 1992’ in subparagraph
23 (B) thereof.

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

1 (3) CERTAIN ALCOHOL FUELS.—

2 (A) PERMANENT EXTENSION.—Section
3 4041(m)(1) of such Code is amended—

4 (i) in subparagraph (A) by striking “,
5 and before October 1, 2016”,

6 (ii) in subparagraph (A)(i) by striking
7 “9.15 cents per gallon” and inserting
8 “19.25 cents per gallon”,

9 (iii) in subparagraph (A)(ii) by strik-
10 ing “11.3 cents per gallon” and inserting
11 “21.4 cents per gallon”,

12 (iv) by striking subparagraph (B),
13 and

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

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

23 “(3) ADJUSTMENT FOR INFLATION.—In the
24 case of a calendar year beginning after December

1 31, 2015, the rates of tax in paragraph (1) (A) and
2 (B) shall each be increased by an amount equal to—

3 “(A) such rate, multiplied by

4 “(B) the cost of living adjustment deter-
5 mined under section 1(f)(3) for the calendar
6 year, determined by substituting ‘calendar year
7 2014’ for ‘calendar year 1992’ in subparagraph
8 (B) thereof.

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

11 (4) FUEL USED IN CERTAIN BUSES.—

12 (A) PERMANENT EXTENSION.—Section
13 6427(b)(2)(A) of such Code is amended by
14 striking “7.4 cents” and inserting “17.5 cents”.

15 (B) ADJUSTMENT FOR INFLATION.—Sec-
16 tion 6427(b) of such Code is amended by add-
17 ing at the end the following:

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

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

22 “(B) such rate (as increased by subpara-
23 graph (A)) shall be increased by an amount
24 equal to such rate (as so increased) multiplied
25 by the cost of living adjustment determined

1 under section 1(f)(3) for the calendar year, de-
2 termined by substituting ‘calendar year 2014’
3 for ‘calendar year 1992’ in subparagraph (B)
4 thereof, and rounded to the nearest 0.1 cents.”.

5 (c) EFFECTIVE DATE.—The amendments made by
6 this section shall apply to years beginning after December
7 31, 2015.

8 (d) FLOOR STOCKS TAX.—

9 (1) IMPOSITION OF TAX.—In the case of any
10 highway motor fuel which is held on January 1,
11 2016, by any person, there is hereby imposed a floor
12 stocks tax equal to the excess of—

13 (A) the tax which would be imposed on
14 such fuel had the amendments made by this
15 section applied to highway motor fuels for peri-
16 ods before January 1, 2016, over

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

19 (2) LIABILITY FOR TAX AND METHOD OF PAY-
20 MENT.—

21 (A) LIABILITY FOR TAX.—The person
22 holding the highway motor fuel on January 1,
23 2016, to which the tax imposed by paragraph
24 (1) applies shall be liable for such tax.

1 (B) METHOD OF PAYMENT.—The tax im-
2 posed by paragraph (1) shall be paid at such
3 time and in such manner as the Secretary of
4 the Treasury (or the Secretary’s delegate) shall
5 prescribe.

6 (3) DEFINITIONS.—For purposes of this sub-
7 section—

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

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

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

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

1 (5) EXCEPTION FOR CERTAIN AMOUNTS OF
2 FUEL.—

3 (A) IN GENERAL.—No tax shall be im-
4 posed by paragraph (1) on any highway motor
5 fuel held on January 1, 2016, by any person if
6 the aggregate amount of such highway motor
7 fuel held by such person on such date does not
8 exceed 2,000 gallons. The preceding sentence
9 shall apply only if such person submits to the
10 Secretary (at the time and in the manner re-
11 quired by the Secretary) such information as
12 the Secretary shall require for purposes of this
13 subparagraph.

14 (B) EXEMPT FUEL.—For purposes of sub-
15 paragraph (A), there shall not be taken into ac-
16 count any highway motor fuel held by any per-
17 son which is exempt from the tax imposed by
18 paragraph (1) by reason of paragraph (4).

19 (C) CONTROLLED GROUPS.—For purposes
20 of this subsection—

21 (i) CORPORATIONS.—

22 (I) IN GENERAL.—All persons
23 treated as a controlled group shall be
24 treated as 1 person.

1 (II) CONTROLLED GROUP.—The
2 term “controlled group” has the
3 meaning given to such term by sub-
4 section (a) of section 1563 of such
5 Code; except that for such purposes
6 the phrase “more than 50 percent”
7 shall be substituted for the phrase “at
8 least 80 percent” each place it ap-
9 pears in such subsection.

10 (ii) NONINCORPORATED PERSONS
11 UNDER COMMON CONTROL.—Under regula-
12 tions prescribed by the Secretary, prin-
13 ciples similar to the principles of subpara-
14 graph (A) shall apply to a group of per-
15 sons under common control if 1 or more of
16 such persons is not a corporation.

17 (6) OTHER LAWS APPLICABLE.—All provisions
18 of law, including penalties, applicable with respect to
19 the taxes imposed by sections 4041 and 4081 of
20 such Code shall, insofar as applicable and not incon-
21 sistent with the provisions of this subsection, apply
22 with respect to the floor stock taxes imposed by
23 paragraph (1) to the same extent as if such taxes
24 were imposed by such sections.

1 **SEC. 51302. WORKING CITIZENS TAX RELIEF.**

2 (a) IN GENERAL.—Subpart C of part IV of sub-
3 chapter A of chapter 1 of the Internal Revenue Code of
4 1986 is amended by inserting after section 36 the fol-
5 lowing new section:

6 **“SEC. 36A. WORKING CITIZENS CREDIT.**

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

12 “(1) 3.1 percent of earned income of the tax-
13 payer, or

14 “(2) \$133 (\$266 in the case of a joint return).

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

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

24 “(2) MODIFIED ADJUSTED GROSS INCOME.—

25 For purposes of subparagraph (A), the term ‘modi-
26 fied adjusted gross income’ means the adjusted

1 gross income of the taxpayer for the taxable year in-
2 creased by any amount excluded from gross income
3 under section 911, 931, or 933.

4 “(c) DEFINITIONS AND SPECIAL RULES.—For pur-
5 poses of this section—

6 “(1) ELIGIBLE INDIVIDUAL.—

7 “(A) IN GENERAL.—The term ‘eligible in-
8 dividual’ means any individual other than—

9 “(i) any nonresident alien individual,

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

16 “(iii) an estate or trust.

17 “(B) IDENTIFICATION NUMBER REQUIRE-
18 MENT.—Such term shall not include any indi-
19 vidual who does not include on the return of tax
20 for the taxable year—

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

23 “(ii) in the case of a joint return, the
24 social security account number of one of
25 the taxpayers on such return.

1 For purposes of the preceding sentence, the so-
2 cial security account number shall not include a
3 TIN issued by the Internal Revenue Service.

4 “(2) EARNED INCOME.—The term ‘earned in-
5 come’ has the meaning given such term by section
6 32(c)(2), except that such term shall not include net
7 earnings from self-employment which are not taken
8 into account in computing taxable income. For pur-
9 poses of the preceding sentence, any amount ex-
10 cluded from gross income by reason of section 112
11 shall be treated as earned income which is taken
12 into account in computing taxable income for the
13 taxable year.”.

14 (b) REFUNDS DISREGARDED IN THE ADMINISTRA-
15 TION OF FEDERAL PROGRAMS AND FEDERALLY AS-
16 SISTED PROGRAMS.—Any credit or refund allowed or
17 made to any individual by reason of section 36A of the
18 Internal Revenue Code of 1986 (as added by this section)
19 or by reason of subsection (b) of this section shall not be
20 taken into account as income and shall not be taken into
21 account as resources for the month of receipt and the fol-
22 lowing 2 months, for purposes of determining the eligi-
23 bility of such individual or any other individual for benefits
24 or assistance, or the amount or extent of benefits or assist-
25 ance, under any Federal program or under any State or

1 local program financed in whole or in part with Federal
2 funds.

3 (c) AUTHORITY RELATING TO CLERICAL ERRORS.—
4 Section 6213(g)(2) of such Code is amended by striking
5 “and” at the end of subparagraph (M), by striking the
6 period at the end of subparagraph (N) and inserting “,
7 and”, and by adding at the end the following new subpara-
8 graph:

9 “(O) an omission of the correct social secu-
10 rity account number required under section
11 36A(c)(1)(B).”.

12 (d) EFFECTIVE DATE.—The amendments made by
13 this section shall apply to taxable years beginning after
14 December 31, 2015.

