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(Original Signature of Member)

116TH CONGRESS
1ST SESSION

H. R. _____

To amend the Internal Revenue Code of 1986 to increase the excise tax on gasoline, diesel, and kerosene fuels.

IN THE HOUSE OF REPRESENTATIVES

Mr. BLUMENAUER introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Internal Revenue Code of 1986 to increase the excise tax on gasoline, diesel, and kerosene fuels.

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 “Rebuild America Act
5 of 2019”.

6 **SEC. 2. SENSE OF CONGRESS.**

7 It is the sense of Congress that by 2029 the gas tax
8 should be repealed and replaced with a more sustainable,
9 stable funding source.

1 **SEC. 3. TAX ON MOTOR FUELS.**

2 (a) GASOLINE OTHER THAN AVIATION GASOLINE.—

3 Section 4081(a)(2)(A)(i) of the Internal Revenue Code of
4 1986 is amended to read as follows:

5 “(i) in the case of gasoline other than
6 aviation gasoline—

7 “(I) for tax imposed before 2020,
8 18.3 cents per gallon,

9 “(II) for tax imposed during
10 2020, 23.3 cents per gallon,

11 “(III) for tax imposed during
12 2021, 28.3 cents per gallon,

13 “(IV) for tax imposed during
14 2022, 33.3 cents per gallon,

15 “(V) for tax imposed during
16 2023, 38.3 cents per gallon,

17 “(VI) for tax imposed after 2023,
18 43.3 cents per gallon.”

19 (b) DIESEL FUEL OR KEROSENE.—Section
20 4081(a)(2)(A)(iii) of such Code is amended to read as fol-
21 lows:

22 “(iii) in the case of diesel fuel or ker-
23 osene—

24 “(I) for tax imposed before 2020,
25 24.3 cents per gallon,

1 “(II) for tax imposed during
2 2020, 29.3 cents per gallon,

3 “(III) for tax imposed during
4 2021, 34.3 cents per gallon,

5 “(IV) for tax imposed during
6 2022, 39.3 cents per gallon,

7 “(V) for tax imposed during
8 2023, 44.3 cents per gallon, and

9 “(VI) for tax imposed after 2023,
10 49.3 cents per gallon.”.

11 (c) INCREASE FOR INFLATION.—Section 4081(a)(2)
12 of such Code is amended by adding at the end the fol-
13 lowing:

14 “(E) ADJUSTMENT FOR INFLATION.—In
15 the case of any calendar year beginning after
16 2024, the rates of tax contained in clauses (i)
17 and (iii) of subparagraph (A) shall each be in-
18 creased by an amount equal to—

19 “(i) such rate, multiplied by

20 “(ii) the cost of living adjustment de-
21 termined under section 1(f)(3) for the cal-
22 endar year, determined by substituting
23 ‘calendar year 2023’ for ‘calendar year
24 2016’ in subparagraph (A)(ii) thereof.

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

3 (d) DIESEL-WATER FUEL EMULSION.—Section
4 4081(a)(2)(D) of such Code is amended by striking “‘19.7
5 cents’ for ‘24.3 cents’” and inserting “a rate equal to 71
6 percent of the rate in effect under such subparagraph
7 (without regard to this subparagraph)”.

8 (e) TERMINATION.—Section 4081(d)(1) of such Code
9 is amended by striking “September 30, 2022” and insert-
10 ing “December 31, 2029”.

11 (f) ALLOCATION IN ACCOUNTS IN HIGHWAY TRUST
12 FUND.—

13 (1) IN GENERAL.—Section 9503(e)(2)(A) of the
14 Internal Revenue Code of 1986 is amended to read
15 as follows:

16 “(A) except as otherwise provided in this
17 sentence—

18 “(i) 2.86 cents per gallon with respect
19 to taxes imposed during calendar years be-
20 fore 2020,

21 “(ii) 3.86 cents per gallon with re-
22 spect to taxes imposed during calendar
23 year 2020,

1 “(iii) 4.86 cents per gallon with re-
2 spect to taxes imposed during calendar
3 year 2021,

4 “(iv) 5.86 cents per gallon with re-
5 spect to taxes imposed during calendar
6 year 2022,

7 “(v) 6.86 cents per gallon with respect
8 to taxes imposed during calendar year
9 2023, and

10 “(vi) 7.86 center per gallon with re-
11 spect to taxes imposed after calendar year
12 2023,”.

13 (2) ADJUSTMENT FOR INFLATION.—Section
14 9503(e) of the Internal Revenue Code of 1986 is
15 amended by adding at the end the following new
16 paragraph:

17 “(6) ADJUSTMENT FOR INFLATION.—In the
18 case of any calendar year beginning after 2024, the
19 rate of tax contained in paragraph (2)(A) shall be
20 increased by an amount equal to—

21 “(A) such rate, multiplied by

22 “(B) the cost of living adjustment deter-
23 mined under section 1(f)(3) for the calendar
24 year, determined by substituting ‘calendar year

1 2023’ for ‘calendar year 2016’ in subparagraph
2 (A)(ii) thereof.

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

5 (g) **EFFECTIVE DATE.**—The amendments made by
6 this section shall apply to fuel removed, entered, or sold
7 after December 31, 2018.

8 **SEC. 4. FLOOR STOCKS TAX.**

9 (a) **IMPOSITION OF TAX.**—In the case of taxed fuel
10 to which a qualified person holds title on January 1, 2020,
11 there is hereby imposed on such fuel a tax at a rate of
12 5 cents per gallon.

13 (b) **TAXED FUEL DEFINED.**—The term “taxed fuel”
14 means taxable fuel (as such term is defined in section
15 4083(a)(1)), other than aviation fuel, on which tax was
16 imposed (and not credited or refunded) under section
17 4081 of the Internal Revenue Code of 1986 before Janu-
18 ary 1, 2020.

19 (c) **QUALIFIED PERSON DEFINED.**—For purposes of
20 this section—

21 (1) **IN GENERAL.**— The term “qualified per-
22 son” means a person who, on January 1, 2020,
23 holds title to not less than 2,000 gallons of taxed
24 fuel (other than fuel held in the tank of a motor ve-
25 hicle or motorboat) held for sale.

1 (2) AGGREGATION RULE.—For purposes of the
2 2,000 gallon requirement, all members of the same
3 controlled group of corporations (within the meaning
4 of section 267(f)) and all persons under common
5 control (within the meaning of section 52(b) but de-
6 termined by treating an interest of more than 50
7 percent as a controlling interest) shall be treated as
8 1 person.

9 (d) OTHER PROVISIONS OF LAW.—All provisions of
10 law, including penalties, applicable with respect to the
11 taxes imposed by section 4081 of the Internal Revenue
12 Code of 1986 shall, insofar as applicable and not incon-
13 sistent with the provisions of this section, apply with re-
14 spect to the taxes imposed by subsection (a) to the same
15 extent as if such taxes were imposed by such section 4081.