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.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Rebuild America Act of 2019”.

SEC. 2. SENSE OF CONGRESS.

It is the sense of Congress that by 2029 the gas tax should be repealed and replaced with a more sustainable, stable funding source.
SEC. 3. TAX ON MOTOR FUELS.

(a) GASOLINE OTHER THAN AVIATION GASOLINE.—
Section 4081(a)(2)(A)(i) of the Internal Revenue Code of 1986 is amended to read as follows:

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

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

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

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

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

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

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

(b) DIESEL FUEL OR KEROSENE.—Section 4081(a)(2)(A)(iii) of such Code is amended to read as follows:

“(iii) in the case of diesel fuel or kerosene—

“(I) for tax imposed before 2020, 24.3 cents per gallon,
“(II) for tax imposed during 2020, 29.3 cents per gallon,

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

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

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

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

(c) INCREASE FOR INFLATION.—Section 4081(a)(2) of such Code is amended by adding at the end the following:

“(E) ADJUSTMENT FOR INFLATION.—In the case of any calendar year beginning after 2024, the rates of tax contained in clauses (i) and (iii) of subparagraph (A) 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 2023’ for ‘calendar year 2016’ in subparagraph (A)(ii) thereof.
Any increase under the preceding sentence shall be rounded to the nearest 0.1 cents.”.

(d) **Diesel-Water Fuel Emulsion.**—Section 4081(a)(2)(D) of such Code is amended by striking ‘‘‘19.7 cents’ for ‘24.3 cents’’’ and inserting ‘‘a rate equal to 71 percent of the rate in effect under such subparagraph (without regard to this subparagraph)’’.

(e) **Termination.**—Section 4081(d)(1) of such Code is amended by striking ‘‘September 30, 2022’’ and inserting ‘‘December 31, 2029’’.

(f) **Allocation in Accounts in Highway Trust Fund.**—

(1) **In General.**—Section 9503(e)(2)(A) of the Internal Revenue Code of 1986 is amended to read as follows:

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

“(i) 2.86 cents per gallon with respect to taxes imposed during calendar years before 2020,

“(ii) 3.86 cents per gallon with respect to taxes imposed during calendar year 2020,
“(iii) 4.86 cents per gallon with respect to taxes imposed during calendar year 2021,

“(iv) 5.86 cents per gallon with respect to taxes imposed during calendar year 2022,

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

“(vi) 7.86 center per gallon with respect to taxes imposed after calendar year 2023,”.

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

“(6) ADJUSTMENT FOR INFLATION.—In the case of any calendar year beginning after 2024, the rate of tax contained in paragraph (2)(A) shall 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
2023’ for ‘calendar year 2016’ in subparagraph (A)(ii) thereof.

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

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

SEC. 4. FLOOR STOCKS TAX.

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

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

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

(1) IN GENERAL.— The term “qualified person” means a person who, on January 1, 2020, holds title to not less than 2,000 gallons of taxed fuel (other than fuel held in the tank of a motor vehicle or motorboat) held for sale.
(2) Aggregation Rule.—For purposes of the 2,000 gallon requirement, all members of the same controlled group of corporations (within the meaning of section 267(f)) and all persons under common control (within the meaning of section 52(b) but determined by treating an interest of more than 50 percent as a controlling interest) shall be treated as 1 person.

(d) Other Provisions of Law.—All provisions of law, including penalties, applicable with respect to the taxes imposed by section 4081 of the Internal Revenue Code of 1986 shall, insofar as applicable and not inconsistent with the provisions of this section, apply with respect to the taxes imposed by subsection (a) to the same extent as if such taxes were imposed by such section 4081.