

112TH CONGRESS
1ST SESSION

H. R. 1102

To reduce the price of gasoline by allowing for offshore drilling, eliminating Federal obstacles to constructing refineries and providing incentives for investment in refineries, suspending Federal fuel taxes when gasoline prices reach a benchmark amount, and promoting free trade.

IN THE HOUSE OF REPRESENTATIVES

MARCH 15, 2011

Mr. PAUL introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Natural Resources, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To reduce the price of gasoline by allowing for offshore drilling, eliminating Federal obstacles to constructing refineries and providing incentives for investment in refineries, suspending Federal fuel taxes when gasoline prices reach a benchmark amount, and promoting free trade.

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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Affordable Gas Price Act”.

6 (b) TABLE OF CONTENTS.—

- Sec. 1. Short title; table of contents.
- Sec. 2. Findings.
- Sec. 3. Termination of restrictions on oil and natural gas development on Federal lands.
- Sec. 4. Limitation of suits under National Environmental Policy Act of 1969.
- Sec. 5. Incentives for investment in oil refineries.
- Sec. 6. Suspension of fuel taxes on highway motor fuels when weekly United States retail gasoline prices exceed benchmark.
- Sec. 7. Increase in mileage reimbursement rates.
- Sec. 8. Termination of application of title IV of the Trade Act of 1974 to the Russian Federation and Kazakhstan.

1 **SEC. 2. FINDINGS.**

2 Congress finds the following:

3 (1) High fuel costs retard economic growth and
4 diminish the quality of life for all Americans.

5 (2) The trucking industry is particularly hard
6 hit by high fuel prices.

7 (3) Attempts to address the issue of high gaso-
8 line costs by increasing government involvement in
9 the market through measures such as price controls
10 will only lead to shortages, rationing, and a return
11 of gasoline lines.

12 (4) The Federal regulations restricting drilling
13 impose prohibitive costs on the development of new
14 sources of energy, artificially inflating the price of
15 gas.

16 (5) Federal gas taxes increase the price of oil
17 thus burdening American families, business, and
18 truckers.

19 (6) Allowing private parties to delay, or even
20 halt, the construction of new refineries through liti-

1 gation over the National Environmental Protection
2 Act's Environmental Impact Statement requirement
3 reduces the supply of gas thus raising gas prices.

4 (7) The so-called Jackson-Vanik ("freedom-of-
5 emigration") amendment (section 402 of the Trade
6 Act of 1974) was a United States reaction to the
7 Soviet Union's highly restrictive emigration policy of
8 the time.

9 (8) By 2005, some 15 years after the end of
10 communist rule over the Soviet Union, successor
11 states Russia and Kazakhstan allow their citizens
12 the right and opportunity to emigrate, free of any
13 heavy tax on the visas or other documents required
14 for emigration and free of any other tax, levy, fine,
15 fee, or other charge on any citizens as a consequence
16 of the desire of such citizens to emigrate to the
17 country of their choice.

18 (9) Elimination of the Jackson-Vanik amend-
19 ment's threat of trade-restricting provisions would
20 increase the United States access to oil supplies
21 from non-Arab countries, thus lowering gas prices.

22 **SEC. 3. TERMINATION OF RESTRICTIONS ON OIL AND NAT-**
23 **URAL GAS DEVELOPMENT ON FEDERAL**
24 **LANDS.**

25 (a) OUTER CONTINENTAL SHELF.—

1 (1) TERMINATION OF LAWS PROHIBITING EX-
2 PENDITURES FOR NATURAL GAS LEASING AND
3 PRELEASING ACTIVITIES.—All provisions of existing
4 Federal law prohibiting the spending of appropriated
5 funds to conduct oil or natural gas leasing and
6 preleasing activities for any area of the Outer Conti-
7 nental Shelf shall have no force or effect.

8 (2) REVOCATION OF EXISTING PRESIDENTIAL
9 WITHDRAWALS.—All existing withdrawals by the
10 President under the authority of section 12 of the
11 Outer Continental Shelf Lands Act (43 U.S.C.
12 1341) are hereby revoked and are no longer in effect
13 with respect to the leasing of areas for exploration
14 for, and development and production of, oil or nat-
15 ural gas.

16 (b) COASTAL PLAIN OF ALASKA.—Sections 1002(i)
17 and 1003 of the Alaska National Interest Lands Con-
18 servation Act (16 U.S.C. 3142(i) and 3143) are repealed.

19 **SEC. 4. LIMITATION OF SUITS UNDER NATIONAL ENVIRON-**
20 **MENTAL POLICY ACT OF 1969.**

21 Section 102 of the National Environmental Policy
22 Act of 1969 (42 U.S.C. 4332) is amended by inserting
23 “(a) IN GENERAL.—” before the first sentence, and by
24 adding at the end the following:

1 “(b) LIMITATION ON SUITS.—A statement required
2 under subsection (a)(2)(C) is not subject to judicial re-
3 view.”.

4 **SEC. 5. INCENTIVES FOR INVESTMENT IN OIL REFINERIES.**

5 (a) INCREASE OF EXPENSING FOR REFINERIES.—
6 Subsection (a) of section 179C of the Internal Revenue
7 Code of 1986 (relating to election to expense certain refin-
8 eries) is amended by striking “50 percent” and inserting
9 “100 percent”.

10 (b) CLASS LIFE FOR REFINERIES.—

11 (1) IN GENERAL.—Subparagraph (B) of section
12 168(e)(3) of the Internal Revenue Code of 1986 (re-
13 lating to 5-year property) is amended by striking
14 “and” at the end of clause (vi), by striking the pe-
15 riod at the end of clause (vii) and inserting “, and”,
16 and by inserting after clause (vii) the following new
17 clause:

18 “(viii) any petroleum refining prop-
19 erty.”.

20 (2) PETROLEUM REFINING ASSET.—Section
21 168(i) of such Code is amended by adding at the
22 end the following new paragraph:

23 “(20) PETROLEUM REFINING PROPERTY.—

24 “(A) IN GENERAL.—The term ‘petroleum
25 refining property’ means any asset for petro-

1 leum refining, including assets used for the dis-
2 tillation, fractionation, and catalytic cracking of
3 crude petroleum into gasoline and its other
4 components.

5 “(B) ASSET MUST MEET ENVIRONMENTAL
6 LAWS.—Such term shall not include any asset
7 which does not meet all applicable environ-
8 mental laws in effect on the date such asset was
9 placed in service. For purposes of the preceding
10 sentence, a waiver under the Clean Air Act
11 shall not be taken into account in determining
12 whether the applicable environmental laws have
13 been met.

14 “(C) SPECIAL RULE FOR MERGERS AND
15 ACQUISITIONS.—Such term shall not include
16 any asset with respect to which a deduction was
17 taken under subsection (e)(3)(B) by any other
18 taxpayer in any preceding year.”.

19 (3) EFFECTIVE DATE.—

20 (A) IN GENERAL.—The amendments made
21 by this subsection shall apply to refineries
22 placed in service after the date of the enact-
23 ment of this Act.

24 (B) EXCEPTION.—The amendments made
25 by this section shall not apply to any refinery

1 with respect to which the taxpayer has entered
2 into a binding contract for the construction
3 thereof on or before the date of the enactment
4 of this Act.

5 **SEC. 6. SUSPENSION OF FUEL TAXES ON HIGHWAY MOTOR**
6 **FUELS WHEN WEEKLY UNITED STATES RE-**
7 **TAIL GASOLINE PRICES EXCEED BENCH-**
8 **MARK.**

9 (a) IN GENERAL.—Section 4081 of the Internal Rev-
10 enue Code of 1986 (relating to imposition of tax on motor
11 and aviation fuels) is amended by adding at the end the
12 following new subsection:

13 “(f) SUSPENSION OF HIGHWAY MOTOR FUEL TAXES
14 WHEN RETAIL GASOLINE EXCEEDS BENCHMARK.—

15 “(1) IN GENERAL.—During any suspension pe-
16 riod, the tax imposed by this section and section
17 4041 on highway motor fuel shall be suspended.

18 “(2) DEFINITIONS AND SPECIAL RULE.—For
19 purposes of this subsection—

20 “(A) SUSPENSION PERIOD.—The term
21 ‘suspension period’ means the period—

22 “(i) beginning on the date on which
23 the weekly United States retail gasoline
24 price, regular grade (as published by the
25 Energy Information Administration, De-

1 partment of Energy), inclusive of such tax,
2 is greater than \$3.00 per gallon, and

3 “(ii) ending on the date on which such
4 price (as so published), without regard to
5 this subsection, does not exceed \$3.00 per
6 gallon.

7 “(B) HIGHWAY MOTOR FUEL.—The term
8 ‘highway motor fuel’ means any fuel subject to
9 tax under this section or section 4041 other
10 than aviation gasoline and aviation-grade ker-
11 osene.”.

12 (b) MAINTENANCE OF TRUST FUNDS DEPOSITS;
13 AMOUNTS APPROPRIATED TO TRUST FUNDS TREATED AS
14 TAXES.—

15 (1) IN GENERAL.—There is hereby appro-
16 priated (out of any money in the Treasury not other-
17 wise appropriated) to each trust fund which would
18 (but for this subsection) receive reduced revenues as
19 a result of a suspension in a rate of tax by reason
20 of section 4081(f) of the Internal Revenue Code of
21 1986 (as added by this section) an amount equal to
22 such reduction in revenues. Amounts appropriated
23 by the preceding sentence to any trust fund—

24 (A) shall be transferred from the general
25 fund at such times and in such manner as to

1 replicate to the extent possible the transfers
2 which would have occurred had such section
3 4081(f) not been enacted, and

4 (B) shall be treated for all purposes of
5 Federal law as taxes received under the appro-
6 priate section referred to in such section
7 4081(f).

8 (c) EFFECTIVE DATE.—The amendment made by
9 this section shall take effect on the date of the enactment
10 of this Act.

11 (d) FLOOR STOCK REFUNDS.—

12 (1) IN GENERAL.—If—

13 (A) before the tax suspension date, tax has
14 been imposed under section 4081 of the Inter-
15 nal Revenue Code of 1986 on any highway
16 motor fuel, and

17 (B) on such date such fuel is held by a
18 dealer and has not been used and is intended
19 for sale,

20 there shall be credited or refunded (without interest)
21 to the person who paid such tax (hereafter in this
22 subsection referred to as the “taxpayer”) an amount
23 equal to the excess of the tax paid by the taxpayer
24 over the tax which would be imposed on such fuel
25 had the taxable event occurred on such date.

1 (2) TIME FOR FILING CLAIMS.—No credit or re-
2 fund shall be allowed or made under this subsection
3 unless—

4 (A) claim therefor is filed with the Sec-
5 retary of the Treasury before the date which is
6 6 months after the tax suspension date based
7 on a request submitted to the taxpayer before
8 the date which is 3 months after the tax sus-
9 pension date by the dealer who held the high-
10 way motor fuel on such date, and

11 (B) the taxpayer has repaid or agreed to
12 repay the amount so claimed to such dealer or
13 has obtained the written consent of such dealer
14 to the allowance of the credit or the making of
15 the refund.

16 (3) EXCEPTION FOR FUEL HELD IN RETAIL
17 STOCKS.—No credit or refund shall be allowed under
18 this subsection with respect to any highway motor
19 fuel in retail stocks held at the place where intended
20 to be sold at retail.

21 (4) DEFINITIONS.—For purposes of this sub-
22 section—

23 (A) TAX SUSPENSION DATE.—The term
24 “tax suspension date” means the first day of
25 any suspension period in effect under section

1 4081(f) of the Internal Revenue Code of 1986
2 (as added by subsection (a) of this section).

3 (B) OTHER TERMS.—The terms “dealer”
4 and “held by a dealer” have the respective
5 meanings given to such terms by section 6412
6 of such Code.

7 (5) CERTAIN RULES TO APPLY.—Rules similar
8 to the rules of subsections (b) and (c) of section
9 6412 of such Code shall apply for purposes of this
10 subsection.

11 (e) FLOOR STOCKS TAX.—

12 (1) IMPOSITION OF TAX.—In the case of any
13 highway motor fuel which is held on the tax restora-
14 tion date by any person, there is hereby imposed a
15 floor stocks tax equal to the excess of the tax which
16 would be imposed on such fuel had the taxable event
17 occurred on such date over the tax (if any) pre-
18 viously paid (and not credited or refunded) on such
19 fuel.

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

22 (A) LIABILITY FOR TAX.—The person
23 holding highway motor fuel on the tax restora-
24 tion date to which the tax imposed by para-
25 graph (1) applies shall be liable for such tax.

1 (B) METHOD OF PAYMENT.—The tax im-
2 posed by paragraph (1) shall be paid in such
3 manner as the Secretary shall prescribe.

4 (C) TIME FOR PAYMENT.—The tax im-
5 posed by paragraph (1) shall be paid on or be-
6 fore the 45th day after the tax restoration date.

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

9 (A) TAX RESTORATION DATE.—The term
10 “tax restoration date” means the first day after
11 the suspension period (as defined in section
12 4081(f) of the Internal Revenue Code of 1986).

13 (B) HIGHWAY MOTOR FUEL.—The term
14 “highway motor fuel” has the meaning given to
15 such term by section 4081(f) of such Code.

16 (C) HELD BY A PERSON.—A highway
17 motor fuel shall be considered as held by a per-
18 son if title thereto has passed to such person
19 (whether or not delivery to the person has been
20 made).

21 (D) SECRETARY.—The term “Secretary”
22 means the Secretary of the Treasury or the
23 Secretary’s delegate.

24 (4) EXCEPTION FOR EXEMPT USES.—The tax
25 imposed by paragraph (1) shall not apply to any

1 highway motor fuel held by any person exclusively
2 for any use to the extent a credit or refund of the
3 tax is allowable for such use.

4 (5) EXCEPTION FOR CERTAIN AMOUNTS OF
5 FUEL.—

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

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

22 (C) CONTROLLED GROUPS.—For purposes
23 of this subsection—

24 (i) CORPORATIONS.—

1 (I) IN GENERAL.—All persons
2 treated as a controlled group shall be
3 treated as 1 person.

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

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

20 (6) OTHER LAWS APPLICABLE.—All provisions
21 of law, including penalties, applicable with respect to
22 the taxes imposed by section 4081 of such Code
23 shall, insofar as applicable and not inconsistent with
24 the provisions of this subsection, apply with respect
25 to the floor stock taxes imposed by paragraph (1) to

1 the same extent as if such taxes were imposed by
2 such section.

3 **SEC. 7. INCREASE IN MILEAGE REIMBURSEMENT RATES.**

4 (a) BUSINESS.—For purposes of the Internal Rev-
5 enue Code of 1986, after the date of the enactment of
6 this Act, the optional standard mileage rates to be used
7 for computing the deductible costs of operating an auto-
8 mobile for business purposes shall be not less than 70
9 cents per mile.

10 (b) MEDICAL, MOVING, AND CHARITABLE CON-
11 TRIBUTION RATES.—For any day during the period under
12 which highway motor fuel taxes are suspended under sec-
13 tion 4081(f) of the Internal Revenue Code of 1986—

14 (1) the optional standard mileage rates to be
15 used for computing the deductible costs of operating
16 an automobile for medical, moving, and charitable
17 purposes shall be the same rate which is in effect for
18 such day for business purposes, and

19 (2) the rate under section 170(i) shall not
20 apply.

21 **SEC. 8. TERMINATION OF APPLICATION OF TITLE IV OF**
22 **THE TRADE ACT OF 1974 TO THE RUSSIAN**
23 **FEDERATION AND KAZAKHSTAN.**

24 (a) PRESIDENTIAL DETERMINATIONS AND EXTEN-
25 SIONS OF NONDISCRIMINATORY TREATMENT.—Notwith-

1 standing any provision of title IV of the Trade Act of 1974
2 (19 U.S.C. 2431 et seq.), the President may—

3 (1) determine that such title should no longer
4 apply to both the Russian Federation and
5 Kazakhstan; and

6 (2) after making a determination under para-
7 graph (1) with respect to the Russian Federation
8 and Kazakhstan, proclaim the extension of non-
9 discriminatory treatment (normal trade relations
10 treatment) to the products of those countries.

11 (b) TERMINATION OF APPLICATION OF TITLE IV.—
12 On and after the effective date of the extension under sub-
13 section (a)(2) of nondiscriminatory treatment to the prod-
14 ucts of the Russian Federation and Kazakhstan, title IV
15 of the Trade Act of 1974 shall cease to apply to those
16 countries.

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