

112TH CONGRESS
1ST SESSION

H. R. 2307

To repeal the tax credits for ethanol blenders, to repeal the tariff on imported ethanol, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 23, 2011

Mr. HERGER (for himself, Mr. CROWLEY, Mr. SAM JOHNSON of Texas, Mr. STARK, Mr. NUNES, Mr. BLUMENAUER, Mr. FLAKE, Mr. COSTA, Mrs. BONO MACK, Mr. LARSEN of Washington, Mr. GOODLATTE, Mr. MATHE-
SON, Mr. LANCE, Mr. WELCH, and Mr. WOMACK) introduced the fol-
lowing bill; which was referred to the Committee on Ways and Means

A BILL

To repeal the tax credits for ethanol blenders, to repeal
the tariff on imported ethanol, and for other purposes.

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 “Ethanol Subsidy Re-
5 peal Act”.

1 **SEC. 2. REPEAL OF TAX SUBSIDIES FOR ETHANOL BLEND-**
2 **ERS.**

3 (a) **INCOME TAX CREDIT.**—Subsection (h) of section
4 40 of the Internal Revenue Code of 1986 is amended to
5 read as follows:

6 “(h) **REPEAL OF CREDIT FOR ETHANOL BLEND-**
7 **ERS.**—In the case of any alcohol mixture credit or alcohol
8 credit with respect to any sale or use of alcohol which is
9 ethanol—

10 “(1) subsections (b)(1)(A), (b)(2)(A), (d)(3)(A),
11 and (d)(3)(B) shall each be applied by substituting
12 ‘0 cents’ for ‘60 cents’, and

13 “(2) subsections (b)(3), (d)(3)(A), and
14 (d)(3)(B) shall each be applied by substituting ‘0
15 cents’ for ‘45 cents.’”.

16 (b) **EXCISE TAX CREDIT.**—

17 (1) **IN GENERAL.**—Subparagraph (A) of section
18 6426(b)(4) of such Code (as in effect prior to redese-
19 signation by paragraph (2)) is amended—

20 (A) by striking “and ethanol” in the mat-
21 ter preceding clause (i),

22 (B) by striking “or” at the end of clause
23 (i),

24 (C) by striking the period at the end of
25 clause (ii) and inserting “, or”, and

1 (D) by inserting after clause (ii) the fol-
2 lowing new clause:

3 “(iii) ethanol.”.

4 (2) CONFORMING AMENDMENTS.—Subsection
5 (b) of section 6426 of such Code is amended—

6 (A) by striking “the applicable amount
7 and” in paragraph (1) and inserting “60 cents
8 multiplied by”,

9 (B) by striking paragraph (2), and

10 (C) by redesignating paragraphs (3)
11 through (6) as paragraphs (2) through (5), re-
12 spectively.

13 (c) EFFECTIVE DATE.—The amendments made by
14 this section shall apply to fuel produced, and sold or used,
15 after the date of the enactment of this Act.

16 **SEC. 3. REMOVAL OF TARIFFS ON ETHANOL.**

17 (a) DUTY-FREE TREATMENT.—Chapter 98 of the
18 Harmonized Tariff Schedule of the United States is
19 amended by adding at the end the following new sub-
20 chapter:

“Subchapter XXIII
Alternative Fuels

Head- ing/ Sub- heading	Article Description	Rates of Duty		
		1		2
		General	Special	
9823.01.01	Ethyl alcohol (provided for in subheadings 2207.10.60 and 2207.20) or any mixture containing such ethyl alcohol (provided for in heading 2710 or 3824) if such ethyl alcohol or mixture is to be used as a fuel or in producing a mixture of gasoline and alcohol, a mixture of a special fuel and alcohol, or any other mixture to be used as fuel (including motor fuel provided for in subheading 2710.11.15, 2710.19.15 or 2710.19.21), or is suitable for any such uses	Free	Free	20%”.

1 (b) CONFORMING AMENDMENTS.—Subchapter I of
2 chapter 99 of the Harmonized Tariff Schedule of the
3 United States is amended—

4 (1) by striking heading 9901.00.50; and

5 (2) by striking U.S. notes 2 and 3.

6 (c) EFFECTIVE DATE.—The amendments made by
7 this section apply to goods entered, or withdrawn from
8 warehouse for consumption, on or after the date of the
9 enactment of this Act.

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