

Calendar No. 10112TH CONGRESS
1ST SESSION**S. 340****[Report No. 112-1]**

To amend the Internal Revenue Code of 1986 to extend the funding and expenditure authority of the Airport and Airway Trust Fund, and for other purposes.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 14, 2011

Mr. BAUCUS, from the Committee on Finance, reported the following original bill; which was read twice and placed on the calendar

A BILL

To amend the Internal Revenue Code of 1986 to extend the funding and expenditure authority of the Airport and Airway Trust Fund, 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; AMENDMENT OF 1986 CODE.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Airport and Airway Trust Fund Reauthorization Act of
6 2011”.

1 (b) AMENDMENT OF 1986 CODE.—Except as other-
2 wise expressly provided, whenever in this Act an amend-
3 ment or repeal is expressed in terms of an amendment
4 to, or repeal of, a section or other provision, the reference
5 shall be considered to be made to a section or other provi-
6 sion of the Internal Revenue Code of 1986.

7 **SEC. 2. EXTENSION OF TAXES FUNDING AIRPORT AND AIR-**
8 **WAY TRUST FUND.**

9 (a) FUEL TAXES.—Subparagraph (B) of section
10 4081(d)(2) is amended by striking “March 31, 2010” and
11 inserting “September 30, 2013”.

12 (b) TICKET TAXES.—

13 (1) PERSONS.—Clause (ii) of section
14 4261(j)(1)(A) is amended by striking “March 31,
15 2010” and inserting “September 30, 2013”.

16 (2) PROPERTY.—Clause (ii) of section
17 4271(d)(1)(A) is amended by striking “March 31,
18 2010” and inserting “September 30, 2013”.

19 (c) EFFECTIVE DATE.—The amendments made by
20 this section shall take effect on April 1, 2010.

21 **SEC. 3. EXTENSION OF AIRPORT AND AIRWAY TRUST FUND**
22 **EXPENDITURE AUTHORITY.**

23 (a) IN GENERAL.—Paragraph (1) of section 9502(d)
24 is amended—

1 (1) by striking “April 1, 2010” in the matter
2 preceding subparagraph (A) and inserting “October
3 1, 2013”, and

4 (2) by striking the semicolon at the end of sub-
5 paragraph (A) and inserting “or the FAA Air
6 Transportation Modernization and Safety Improve-
7 ment Act;”.

8 (b) CONFORMING AMENDMENT.—Paragraph (2) of
9 section 9502(e) is amended by striking “April 1, 2010”
10 and inserting “October 1, 2013”.

11 (c) EFFECTIVE DATE.—The amendments made by
12 this section shall take effect on April 1, 2010.

13 **SEC. 4. MODIFICATION OF EXCISE TAX ON KEROSENE USED**
14 **IN AVIATION.**

15 (a) RATE OF TAX ON AVIATION-GRADE KER-
16 OSENE.—

17 (1) IN GENERAL.—Subparagraph (A) of section
18 4081(a)(2) is amended by striking “and” at the end
19 of clause (ii), by striking the period at the end of
20 clause (iii) and inserting “, and”, and by adding at
21 the end the following new clause:

22 “(iv) in the case of aviation-grade ker-
23 osene, 35.9 cents per gallon.”.

24 (2) FUEL REMOVED DIRECTLY INTO FUEL
25 TANK OF AIRPLANE USED IN NONCOMMERCIAL AVIA-

1 TION.—Subparagraph (C) of section 4081(a)(2) is
 2 amended to read as follows:

3 “(C) TAXES IMPOSED ON FUEL USED IN
 4 COMMERCIAL AVIATION.—In the case of avia-
 5 tion-grade kerosene which is removed from any
 6 refinery or terminal directly into the fuel tank
 7 of an aircraft for use in commercial aviation by
 8 a person registered for such use under section
 9 4101, the rate of tax under subparagraph
 10 (A)(iv) shall be 4.3 cents per gallon.”.

11 (3) EXEMPTION FOR AVIATION-GRADE KER-
 12 OSENE REMOVED INTO AN AIRCRAFT.—Subsection
 13 (e) of section 4082 is amended—

14 (A) by striking “kerosene” and inserting
 15 “aviation-grade kerosene”,

16 (B) by striking “section
 17 4081(a)(2)(A)(iii)” and inserting “section
 18 4081(a)(2)(A)(iv)”, and

19 (C) by striking “KEROSENE” in the head-
 20 ing and inserting “AVIATION-GRADE KER-
 21 OSENE”.

22 (4) CONFORMING AMENDMENTS.—

23 (A) Clause (iii) of section 4081(a)(2)(A) is
 24 amended by inserting “other than aviation-
 25 grade kerosene” after “kerosene”.

1 (B) The following provisions are each
2 amended by striking “kerosene” and inserting
3 “aviation-grade kerosene”:

4 (i) Section 4081(a)(3)(A)(ii).

5 (ii) Section 4081(a)(3)(A)(iv).

6 (iii) Section 4081(a)(3)(D).

7 (C) Subparagraph (D) of section
8 4081(a)(3) is amended—

9 (i) by striking “paragraph (2)(C)(i)”
10 in clause (i) and inserting “paragraph
11 (2)(C)”, and

12 (ii) by striking “paragraph (2)(C)(ii)”
13 in clause (ii) and inserting “paragraph
14 (2)(A)(iv)”.

15 (D) Paragraph (4) of section 4081(a) is
16 amended—

17 (i) by striking “KEROSENE” in the
18 heading and inserting “AVIATION-GRADE
19 KEROSENE”, and

20 (ii) by striking “paragraph (2)(C)(i)”
21 and inserting “paragraph (2)(C)”.

22 (E) Paragraph (2) of section 4081(d) is
23 amended by striking “(a)(2)(C)(ii)” and insert-
24 ing “(a)(2)(A)(iv)”.

25 (b) RETAIL TAX ON AVIATION FUEL.—

1 (1) EXEMPTION FOR PREVIOUSLY TAXED
2 FUEL.—Paragraph (2) of section 4041(c) is amend-
3 ed by inserting “at the rate specified in subsection
4 (a)(2)(A)(iv) thereof” after “section 4081”.

5 (2) RATE OF TAX.—Paragraph (3) of section
6 4041(c) is amended to read as follows:

7 “(3) RATE OF TAX.—The rate of tax imposed
8 by this subsection shall be the rate of tax in effect
9 under section 4081(a)(2)(A)(iv) (4.3 cents per gallon
10 with respect to any sale or use for commercial avia-
11 tion).”.

12 (c) REFUNDS RELATING TO AVIATION-GRADE KER-
13 OSENE.—

14 (1) AVIATION-GRADE KEROSENE USED IN COM-
15 Mercial Aviation.—Clause (ii) of section
16 6427(l)(4)(A) is amended by striking “specified in
17 section 4041(c) or 4081(a)(2)(A)(iii), as the case
18 may be,” and inserting “so imposed”.

19 (2) KEROSENE USED IN AVIATION.—Paragraph
20 (4) of section 6427(l) is amended by striking sub-
21 paragraphs (B) and (C) and inserting the following
22 new subparagraph:

23 “(B) PAYMENTS TO ULTIMATE, REG-
24 ISTERED VENDOR.—With respect to any ker-
25 osene used in aviation (other than kerosene to

1 which paragraph (6) applies), if the ultimate
2 purchaser of such kerosene waives (at such time
3 and in such form and manner as the Secretary
4 shall prescribe) the right to payment under
5 paragraph (1) and assigns such right to the ul-
6 timate vendor, then the Secretary shall pay
7 (without interest) the amount which would be
8 paid under paragraph (1) to such ultimate ven-
9 dor, but only if such ultimate vendor—

10 “(i) is registered under section 4101,

11 and

12 “(ii) meets the requirements of sub-
13 paragraph (A), (B), or (D) of section
14 6416(a)(1).”.

15 (3) AVIATION-GRADE KEROSENE NOT USED IN
16 AVIATION.—Subsection (l) of section 6427 is amend-
17 ed by redesignating paragraph (5) as paragraph (6)
18 and by inserting after paragraph (4) the following
19 new paragraph:

20 “(5) REFUNDS FOR AVIATION-GRADE KER-
21 ROSENE NOT USED IN AVIATION.—If tax has been im-
22 posed under section 4081 at the rate specified in
23 section 4081(a)(2)(A)(iv) and the fuel is used other
24 than in an aircraft, the Secretary shall pay (without
25 interest) to the ultimate purchaser of such fuel an

1 amount equal to the amount of tax imposed on such
2 fuel reduced by the amount of tax that would be im-
3 posed under section 4041 if no tax under section
4 4081 had been imposed.”.

5 (4) CONFORMING AMENDMENTS.—

6 (A) Subparagraph (B) of section
7 4082(d)(2) is amended by striking
8 “6427(l)(5)(B)” and inserting “6427(l)(6)(B)”.

9 (B) Paragraph (4) of section 6427(i) is
10 amended—

11 (i) by striking “(4)(C) or (5)” and in-
12 serting “(4)(B) or (6)”, and

13 (ii) by striking “, (l)(4)(C)(ii), and
14 (l)(5)” and inserting “and (l)(6)”.

15 (C) Subsection (l) of section 6427 is
16 amended by striking “DIESEL FUEL AND KER-
17 OSENE” in the heading and inserting “DIESEL
18 FUEL, KEROSENE, AND AVIATION FUEL”.

19 (D) Paragraph (1) of section 6427(l) is
20 amended by striking “paragraph (4)(C)(i)” and
21 inserting “paragraph (4)(B)”.

22 (E) Paragraph (4) of section 6427(l) is
23 amended—

24 (i) by striking “KEROSENE USED IN
25 AVIATION” in the heading and inserting

1 “AVIATION-GRADE KEROSENE USED IN
2 COMMERCIAL AVIATION”, and

3 (ii) in subparagraph (A)—

4 (I) by striking “kerosene” and
5 inserting “aviation-grade kerosene”,

6 (II) by striking “KEROSENE
7 USED IN COMMERCIAL AVIATION” in
8 the heading and inserting “IN GEN-
9 ERAL”.

10 (d) TRANSFERS TO THE AIRPORT AND AIRWAY
11 TRUST FUND.—

12 (1) IN GENERAL.—Subparagraph (C) of section
13 9502(b)(1) is amended to read as follows:

14 “(C) section 4081 with respect to aviation
15 gasoline and aviation-grade kerosene, and”.

16 (2) TRANSFERS ON ACCOUNT OF CERTAIN RE-
17 FUNDS.—

18 (A) IN GENERAL.—Subsection (d) of sec-
19 tion 9502 is amended—

20 (i) by striking “(other than subsection
21 (l)(4) thereof)” in paragraph (2), and

22 (ii) by striking “(other than payments
23 made by reason of paragraph (4) of section
24 6427(l))” in paragraph (3).

25 (B) CONFORMING AMENDMENTS.—

1 (i) Paragraph (4) of section 9503(b)
2 is amended by striking “or” at the end of
3 subparagraph (C), by striking the period
4 at the end of subparagraph (D) and insert-
5 ing a comma, and by inserting after sub-
6 paragraph (D) the following new subpara-
7 graphs:

8 “(E) section 4081 to the extent attrib-
9 utable to the rate specified in clause (ii) or (iv)
10 of section 4081(a)(2)(A), or

11 “(F) section 4041(c).”.

12 (ii) Subsection (c) of section 9503 is
13 amended by striking paragraph (5).

14 (iii) Subsection (a) of section 9502 is
15 amended—

16 (I) by striking “appropriated,
17 credited, or paid into” and inserting
18 “appropriated or credited to”, and

19 (II) by striking “, section
20 9503(e)(5),”.

21 (e) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to fuels removed, entered, or sold
23 after March 31, 2011.

24 (f) FLOOR STOCKS TAX.—

1 (1) IMPOSITION OF TAX.—In the case of avia-
2 tion-grade kerosene fuel which is held on April 1,
3 2011, by any person, there is hereby imposed a floor
4 stocks tax on aviation-grade kerosene equal to—

5 (A) the tax which would have been imposed
6 before such date on such kerosene had the
7 amendments made by this section been in effect
8 at all times before such date, reduced by

9 (B) the tax imposed before such date on
10 such kerosene under section 4081 of the Inter-
11 nal Revenue Code of 1986, as in effect on such
12 date.

13 (2) LIABILITY FOR TAX AND METHOD OF PAY-
14 MENT.—

15 (A) LIABILITY FOR TAX.—A person hold-
16 ing aviation-grade kerosene on April 1, 2011,
17 shall be liable for such tax.

18 (B) TIME AND METHOD OF PAYMENT.—
19 The tax imposed by paragraph (1) shall be paid
20 at such time and in such manner as the Sec-
21 retary of the Treasury shall prescribe.

22 (3) TRANSFER OF FLOOR STOCK TAX REVE-
23 NUES TO TRUST FUNDS.—For purposes of deter-
24 mining the amount transferred to the Airport and
25 Airway Trust Fund, the tax imposed by this sub-

1 section shall be treated as imposed by section
2 4081(a)(2)(A)(iv) of the Internal Revenue Code of
3 1986.

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

6 (A) AVIATION-GRADE KEROSENE.—The
7 term “aviation-grade kerosene” means aviation-
8 grade kerosene as such term is used within the
9 meaning of section 4081 of the Internal Rev-
10 enue Code of 1986.

11 (B) HELD BY A PERSON.—Aviation-grade
12 kerosene shall be considered as held by a person
13 if title thereto has passed to such person
14 (whether or not delivery to the person has been
15 made).

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

19 (5) EXCEPTION FOR EXEMPT USES.—The tax
20 imposed by paragraph (1) shall not apply to any
21 aviation-grade kerosene held by any person exclu-
22 sively for any use to the extent a credit or refund
23 of the tax is allowable under the Internal Revenue
24 Code of 1986 for such use.

1 (6) EXCEPTION FOR CERTAIN AMOUNTS OF
2 AVIATION-GRADE KEROSENE.—

3 (A) IN GENERAL.—No tax shall be im-
4 posed by paragraph (1) on any aviation-grade
5 kerosene held on April 1, 2011, by any person
6 if the aggregate amount of such aviation-grade
7 kerosene held by such person on such date does
8 not exceed 2,000 gallons. The preceding sen-
9 tence shall apply only if such person submits to
10 the Secretary (at the time and in the manner
11 required by the Secretary) such information as
12 the Secretary shall require for purposes of this
13 subparagraph.

14 (B) EXEMPT AVIATION-GRADE KER-
15 OSENE.—For purposes of subparagraph (A),
16 there shall not be taken into account any avia-
17 tion-grade kerosene held by any person which is
18 exempt from the tax imposed by paragraph (1)
19 by reason of paragraph (5).

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

22 (i) CORPORATIONS.—

23 (I) IN GENERAL.—All persons
24 treated as a controlled group shall be
25 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 the In-
5 ternal Revenue Code of 1986; except
6 that for such purposes the phrase
7 “more than 50 percent” shall be sub-
8 stituted for the phrase “at least 80
9 percent” each place it appears in such
10 subsection.

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

18 (7) OTHER LAWS APPLICABLE.—All provisions
19 of law, including penalties, applicable with respect to
20 the taxes imposed by section 4081 of the Internal
21 Revenue Code of 1986 on the aviation-grade ker-
22 osene involved shall, insofar as applicable and not
23 inconsistent with the provisions of this subsection,
24 apply with respect to the floor stock taxes imposed

1 by paragraph (1) to the same extent as if such taxes
 2 were imposed by such section.

3 **SEC. 5. AIR TRAFFIC CONTROL SYSTEM MODERNIZATION**
 4 **ACCOUNT.**

5 (a) IN GENERAL.—Section 9502 is amended by add-
 6 ing at the end the following new subsection:

7 “(f) ESTABLISHMENT OF AIR TRAFFIC CONTROL
 8 SYSTEM MODERNIZATION ACCOUNT.—

9 “(1) CREATION OF ACCOUNT.—There is estab-
 10 lished in the Airport and Airway Trust Fund a sepa-
 11 rate account to be known as the ‘Air Traffic Control
 12 System Modernization Account’ consisting of such
 13 amounts as may be transferred or credited to the
 14 Air Traffic Control System Modernization Account
 15 as provided in this subsection or section 9602(b).

16 “(2) TRANSFERS TO AIR TRAFFIC CONTROL
 17 SYSTEM MODERNIZATION ACCOUNT.—On October 1,
 18 2011, and annually thereafter the Secretary shall
 19 transfer \$400,000,000 to the Air Traffic Control
 20 System Modernization Account from amounts appro-
 21 priated to the Airport and Airway Trust Fund under
 22 subsection (b) which are attributable to taxes on
 23 aviation-grade kerosene.

24 “(3) EXPENDITURES FROM ACCOUNT.—
 25 Amounts in the Air Traffic Control System Mod-

1 ernization Account shall be available subject to ap-
 2 propriation for expenditures relating to the mod-
 3 ernization of the air traffic control system (including
 4 facility and equipment account expenditures).”.

5 (b) CONFORMING AMENDMENT.—Paragraph (1) of
 6 section 9502(d) is amended by striking “Amounts” and
 7 inserting “Except as provided in subsection (f), amounts”.

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

11 **SEC. 6. TREATMENT OF FRACTIONAL AIRCRAFT OWNER-**
 12 **SHIP PROGRAMS.**

13 (a) FUEL SURTAX.—

14 (1) IN GENERAL.—Subchapter B of chapter 31
 15 is amended by adding at the end the following new
 16 section:

17 **“SEC. 4043. SURTAX ON FUEL USED IN AIRCRAFT PART OF**
 18 **A FRACTIONAL OWNERSHIP PROGRAM.**

19 “(a) IN GENERAL.—There is hereby imposed a tax
 20 on any liquid used during any calendar quarter by any
 21 person as a fuel in an aircraft which is—

22 “(1) registered in the United States, and

23 “(2) part of a fractional ownership aircraft pro-
 24 gram.

1 “(b) AMOUNT OF TAX.—The rate of tax imposed by
2 subsection (a) is 14.1 cents per gallon.

3 “(c) FRACTIONAL OWNERSHIP AIRCRAFT PRO-
4 GRAM.—For purposes of this section—

5 “(1) IN GENERAL.—The term ‘fractional owner-
6 ship aircraft program’ means a program under
7 which—

8 “(A) a single fractional ownership program
9 manager provides fractional ownership program
10 management services on behalf of the fractional
11 owners,

12 “(B) 2 or more airworthy aircraft are part
13 of the program,

14 “(C) there are 1 or more fractional owners
15 per program aircraft, with at least 1 program
16 aircraft having more than 1 owner,

17 “(D) each fractional owner possesses at
18 least a minimum fractional ownership interest
19 in 1 or more program aircraft,

20 “(E) there exists a dry-lease aircraft ex-
21 change arrangement among all of the fractional
22 owners, and

23 “(F) there are multi-year program agree-
24 ments covering the fractional ownership, frac-
25 tional ownership program management services,

1 and dry-lease aircraft exchange aspects of the
2 program.

3 “(2) MINIMUM FRACTIONAL OWNERSHIP INTER-
4 EST.—

5 “(A) IN GENERAL.—The term ‘minimum
6 fractional ownership interest’ means, with re-
7 spect to each type of aircraft—

8 “(i) a fractional ownership interest
9 equal to or greater than $\frac{1}{16}$ of at least 1
10 subsonic, fixed wing or powered lift pro-
11 gram aircraft, or

12 “(ii) a fractional ownership interest
13 equal to or greater than $\frac{1}{32}$ of a least 1
14 rotorcraft program aircraft.

15 “(B) FRACTIONAL OWNERSHIP INTER-
16 EST.—The term ‘fractional ownership interest’
17 means—

18 “(i) the ownership of an interest in a
19 program aircraft,

20 “(ii) the holding of a multi-year lease-
21 hold interest in a program aircraft, or

22 “(iii) the holding of a multi-year
23 leasehold interest which is convertible into
24 an ownership interest in a program air-
25 craft.

1 “(3) DRY-LEASE AIRCRAFT EXCHANGE.—The
2 term ‘dry-lease aircraft exchange’ means an agree-
3 ment, documented by the written program agree-
4 ments, under which the program aircraft are avail-
5 able, on an as needed basis without crew, to each
6 fractional owner.

7 “(d) TERMINATION.—This section shall not apply to
8 liquids used as a fuel in an aircraft after September 30,
9 2013.”.

10 (2) CONFORMING AMENDMENT.—Subsection (e)
11 of section 4082 is amended by inserting “(other
12 than an aircraft described in section 4043(a))” after
13 “an aircraft”.

14 (3) TRANSFER OF REVENUES TO AIRPORT AND
15 AIRWAY TRUST FUND.—Subsection (1) of section
16 9502(b) is amended by redesignating subparagraphs
17 (B) and (C) as subparagraphs (C) and (D), respec-
18 tively, and by inserting after subparagraph (A) the
19 following new subparagraph:

20 “(B) section 4043 (relating to surtax on
21 fuel used in aircraft part of a fractional owner-
22 ship program),”.

23 (4) CLERICAL AMENDMENT.—The table of sec-
24 tions for subchapter B of chapter 31 is amended by
25 adding at the end the following new item:

“Sec. 4043. Surtax on fuel used in aircraft part of a fractional ownership program.”.

1 (b) FRACTIONAL OWNERSHIP PROGRAMS TREATED
 2 AS NON-COMMERCIAL AVIATION.—Subsection (b) of sec-
 3 tion 4083 is amended by adding at the end the following
 4 new sentence: “For uses of aircraft before October 1,
 5 2013, such term shall not include the use of any aircraft
 6 which is part of a fractional ownership aircraft program
 7 (as defined by section 4043(c)).”.

8 (c) EXEMPTION FROM TAX ON TRANSPORTATION OF
 9 PERSONS.—Section 4261, as amended by this Act, is
 10 amended by redesignating subsection (j) as subsection (k)
 11 and by inserting after subsection (i) the following new sub-
 12 section:

13 “(j) EXEMPTION FOR AIRCRAFT IN FRACTIONAL
 14 OWNERSHIP AIRCRAFT PROGRAMS.—No tax shall be im-
 15 posed by this section or section 4271 on any air transpor-
 16 tation provided before October 1, 2013, by an aircraft
 17 which is part of a fractional ownership aircraft program
 18 (as defined by section 4043(c)).”.

19 (d) EFFECTIVE DATES.—

20 (1) SUBSECTION (a).—The amendments made
 21 by subsection (a) shall apply to fuel used after
 22 March 31, 2011.

1 (2) SUBSECTION (b).—The amendment made by
2 subsection (b) shall apply to uses of aircraft after
3 March 31, 2011.

4 (3) SUBSECTION (c).—The amendments made
5 by subsection (c) shall apply to taxable transpor-
6 tation provided after March 31, 2011.

7 **SEC. 7. TERMINATION OF EXEMPTION FOR SMALL JET AIR-**
8 **CRAFT ON NONESTABLISHED LINES.**

9 (a) IN GENERAL.—the first sentence of section 4281
10 is amended by inserting “or when such aircraft is a tur-
11 bine engine powered aircraft” after “an established line”.

12 (b) EFFECTIVE DATE.—The amendment made by
13 this section shall apply to taxable transportation provided
14 after March 31, 2011.

15 **SEC. 8. TRANSPARENCY IN PASSENGER TAX DISCLOSURES.**

16 (a) IN GENERAL.—Section 7275 (relating to penalty
17 for offenses relating to certain airline tickets and adver-
18 tising) is amended—

19 (1) by redesignating subsection (c) as sub-
20 section (d),

21 (2) by striking “subsection (a) or (b)” in sub-
22 section (d), as so redesignated, and inserting “sub-
23 section (a), (b), or (c)”, and

24 (3) by inserting after subsection (b) the fol-
25 lowing new subsection:

1 “(c) NON-TAX CHARGES.—

2 “(1) IN GENERAL.—In the case of transpor-
3 tation by air for which disclosure on the ticket or
4 advertising for such transportation of the amounts
5 paid for passenger taxes is required by subsection
6 (a)(2) or (b)(1)(B), if such amounts are separately
7 disclosed, it shall be unlawful for the disclosure of
8 such amounts to include any amounts not attrib-
9 utable to such taxes.

10 “(2) INCLUSION IN TRANSPORTATION COST.—
11 Nothing in this subsection shall prohibit the inclu-
12 sion of amounts not attributable to the taxes im-
13 posed by subsection (a), (b), or (c) of section 4261
14 in the disclosure of the amount paid for transpor-
15 tation as required by subsection (a)(1) or (b)(1)(A),
16 or in a separate disclosure of amounts not attrib-
17 utable to such taxes.”.

18 (b) EFFECTIVE DATE.—The amendments made by
19 this section shall apply to taxable transportation provided
20 after March 31, 2011.

21 **SEC. 9. TAX-EXEMPT BOND FINANCING FOR FIXED-WING**
22 **EMERGENCY MEDICAL AIRCRAFT.**

23 (a) IN GENERAL.—Subsection (e) of section 147 is
24 amended by adding at the end the following new sentence:
25 “The preceding sentence shall not apply to any fixed-wing

1 aircraft equipped for, and exclusively dedicated to pro-
2 viding, acute care emergency medical services (within the
3 meaning of 4261(g)(2)).”

4 (b) EFFECTIVE DATE.—The amendment made by
5 this section shall apply to obligations issued after the date
6 of the enactment of this Act.

7 **SEC. 10. PROTECTION OF AIRPORT AND AIRWAY TRUST**
8 **FUND SOLVENCY.**

9 (a) IN GENERAL.—Paragraph (1) of section 9502(d)
10 is amended by adding at the end the following new sen-
11 tence: “Unless otherwise provided by this section, for pur-
12 poses of this paragraph for fiscal year 2012 or 2013, the
13 amount available for making expenditures for such fiscal
14 year shall not exceed 90 percent of the receipts of the Air-
15 port and Airway Trust Fund plus interest credited to such
16 Trust Fund for such fiscal year as estimated by the Sec-
17 retary of the Treasury.”.

18 (b) EFFECTIVE DATE.—The amendment made by
19 this section shall apply to fiscal years beginning after Sep-
20 tember 30, 2011.

Calendar No. 10

112TH CONGRESS
1ST Session

S. 340

[Report No. 112-1]

A BILL

To amend the Internal Revenue Code of 1986 to extend the funding and expenditure authority of the Airport and Airway Trust Fund, and for other purposes.

FEBRUARY 14, 2011

Read twice and placed on the calendar