

112TH CONGRESS
1ST SESSION

S. 871

To repeal the Volumetric Ethanol Excise Tax Credit.

IN THE SENATE OF THE UNITED STATES

MAY 3, 2011

Mr. COBURN (for himself, Mrs. FEINSTEIN, Mr. WEBB, Mr. BURR, Ms. COLLINS, Mr. CARDIN, and Mr. RISCH) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To repeal the Volumetric Ethanol Excise Tax Credit.

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 and
5 Tariff Repeal Act”.

6 **SEC. 2. REPEAL OF VEETC.**

7 (a) ELIMINATION OF EXCISE TAX CREDIT OR PAY-
8 MENT.—

9 (1) Section 6426(b)(6) of the Internal Revenue
10 Code of 1986 is amended by striking “December 31,
11 2011” and inserting “the later of June 30, 2011, or

1 the date of the enactment of the Ethanol Subsidy
2 and Tariff Repeal Act”).

3 (2) Section 6427(e)(6)(A) of such Code is
4 amended by striking “December 31, 2011” and in-
5 sserting “the later of June 30, 2011, or the date of
6 the enactment the Ethanol Subsidy and Tariff Re-
7 peal Act”.

8 (b) ELIMINATION OF INCOME TAX CREDIT.—The
9 table contained in section 40(h)(2) of the Internal Rev-
10 enue Code of 1986 is amended—

11 (1) by striking “2011” and inserting “the later
12 of June 30, 2011, or the date of the enactment of
13 the Ethanol Subsidy and Tariff Repeal Act”, and

14 (2) by adding at the end the following:

“After such date zero zero”.

15 (c) REPEAL OF DEADWOOD.—

16 (1) Section 40(h) of the Internal Revenue Code
17 of 1986 is amended by striking paragraph (3).

18 (2) Section 6426(b)(2) of such Code is amend-
19 ed by striking subparagraph (C).

20 (d) EFFECTIVE DATE.—The amendments made by
21 this section shall apply to any sale, use, or removal for
22 any period after the later of June 30, 2011, or the date
23 of the enactment of the Act.

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

2 (a) **DUTY-FREE TREATMENT.**—Chapter 98 of the
 3 Harmonized Tariff Schedule of the United States is
 4 amended by adding at the end the following new sub-
 5 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%”.

6 (b) **CONFORMING AMENDMENTS.**—Subchapter I of
 7 chapter 99 of the Harmonized Tariff Schedule of the
 8 United States is amended—

9 (1) by striking heading 9901.00.50; and

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

11 (c) **EFFECTIVE DATE.**—The amendments made by
 12 this section apply to goods entered, or withdrawn from
 13 warehouse for consumption, on or after the later of June
 14 30, 2011, or the date of the enactment of this Act.

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