

**AMENDMENT TO THE RULES COMMITTEE PRINT
OF H.R. 7
OFFERED BY MR. GRAVES OF GEORGIA**

Strike sections 1 through 3, titles I through XI, title XIII, and title XV of the committee print.

Redesignate title XII of the committee print as title II (and conform the section numbers in that title).

Before title II of the committee print (as so redesignated), insert the following:

1 **TITLE I—TRANSPORTATION**
2 **EMPOWERMENT**

3 **SECTION 101. SHORT TITLE.**

4 This title may be cited as the “Transportation Em-
5 powerment Act”.

6 **SEC. 102. FINDINGS AND PURPOSES.**

7 (a) FINDINGS.—Congress finds that—

8 (1) the objective of the Federal highway pro-
9 gram has been to facilitate the construction of a
10 modern freeway system that promotes efficient inter-
11 state commerce by connecting all States;

1 (2) that objective has been attained, and the
2 Interstate System connecting all States is near com-
3 pletion;

4 (3) each State has the responsibility of pro-
5 viding an efficient transportation network for the
6 residents of the State;

7 (4) each State has the means to build and oper-
8 ate a network of transportation systems, including
9 highways, that best serves the needs of the State;

10 (5) each State is best capable of determining
11 the needs of the State and acting on those needs;

12 (6) the Federal role in highway transportation
13 has, over time, usurped the role of the States by tax-
14 ing motor fuels used in the States and then distrib-
15 uting the proceeds to the States based on the Fed-
16 eral Government's perceptions of what is best for the
17 States;

18 (7) the Federal Government has used the Fed-
19 eral motor fuels tax revenues to force all States to
20 take actions that are not necessarily appropriate for
21 individual States;

22 (8) the Federal distribution, review, and en-
23 forcement process wastes billions of dollars on un-
24 productive activities;

1 (9) Federal mandates that apply uniformly to
2 all 50 States, regardless of the different cir-
3 cumstances of the States, cause the States to waste
4 billions of hard-earned tax dollars on projects, pro-
5 grams, and activities that the States would not oth-
6 erwise undertake; and

7 (10) Congress has expressed a strong interest
8 in reducing the role of the Federal Government by
9 allowing each State to manage its own affairs.

10 (b) PURPOSES.—The purposes of this Act are—

11 (1) to return to the individual States maximum
12 discretionary authority and fiscal responsibility for
13 all elements of the national surface transportation
14 systems that are not within the direct purview of the
15 Federal Government;

16 (2) to preserve Federal responsibility for the
17 Dwight D. Eisenhower National System of Inter-
18 state and Defense Highways;

19 (3) to preserve the responsibility of the Depart-
20 ment of Transportation for—

21 (A) design, construction, and preservation
22 of transportation facilities on Federal public
23 land;

1 (B) national programs of transportation
2 research and development and transportation
3 safety; and

4 (C) emergency assistance to the States in
5 response to natural disasters;

6 (4) to eliminate to the maximum extent prac-
7 ticable Federal obstacles to the ability of each State
8 to apply innovative solutions to the financing, de-
9 sign, construction, operation, and preservation of
10 Federal and State transportation facilities; and

11 (5) with respect to transportation activities car-
12 ried out by States, local governments, and the pri-
13 vate sector, to encourage—

14 (A) competition among States, local gov-
15 ernments, and the private sector; and

16 (B) innovation, energy efficiency, private
17 sector participation, and productivity.

18 **SEC. 103. FUNDING FOR CORE HIGHWAY PROGRAMS.**

19 (a) IN GENERAL.—

20 (1) FUNDING.—For the purpose of carrying out
21 title 23, United States Code, the following sums are
22 authorized to be appropriated out of the Highway
23 Trust Fund:

24 (A) INTERSTATE MAINTENANCE PRO-
25 GRAM.—For the Interstate maintenance pro-

1 gram under section 119 of title 23, United
2 States Code, \$5,200,000,000 for fiscal year
3 2013, \$5,280,000,000 for fiscal year 2014,
4 \$5,360,000,000 for fiscal year 2015,
5 \$5,440,000,000 for fiscal year 2016, and
6 \$5,520,000,000 for fiscal year 2017.

7 (B) EMERGENCY RELIEF.—For emergency
8 relief under section 125 of that title,
9 \$100,000,000 for each of fiscal years 2013
10 through 2017.

11 (C) INTERSTATE BRIDGE PROGRAM.—For
12 the Interstate bridge program under section
13 144 of that title, \$2,527,000,000 for fiscal year
14 2013, \$2,597,000,000 for fiscal year 2014,
15 \$2,667,000,000 for fiscal year 2015,
16 \$2,737,000,000 for fiscal year 2016, and
17 \$2,807,000,000 for fiscal year 2017.

18 (D) FEDERAL LANDS HIGHWAYS PRO-
19 GRAM.—

20 (i) INDIAN RESERVATION ROADS.—
21 For Indian reservation roads under section
22 204 of that title, \$470,000,000 for fiscal
23 year 2013, \$510,000,000 for fiscal year
24 2014, \$550,000,000 for fiscal year 2015,

1 \$590,000,000 for fiscal year 2016, and
2 \$630,000,000 for fiscal year 2017.

3 (ii) PUBLIC LANDS HIGHWAYS.—For
4 public lands highways under section 204 of
5 that title, \$300,000,000 for fiscal year
6 2013, \$310,000,000 for fiscal year 2014,
7 \$320,000,000 for fiscal year 2015,
8 \$330,000,000 for fiscal year 2016, and
9 \$340,000,000 for fiscal year 2017.

10 (iii) PARKWAYS AND PARK ROADS.—
11 For parkways and park roads under sec-
12 tion 204 of that title, \$255,000,000 for fis-
13 cal year 2013, \$270,000,000 for fiscal year
14 2014, \$285,000,000 for fiscal year 2015,
15 \$300,000,000 for fiscal year 2016, and
16 \$315,000,000 for fiscal year 2017.

17 (iv) REFUGE ROADS.—For refuge
18 roads under section 204 of that title,
19 \$32,000,000 for each of fiscal years 2013
20 through 2017.

21 (E) HIGHWAY SAFETY PROGRAMS.—

22 (i) IN GENERAL.—For highway safety
23 programs under section 402 of that title,
24 \$170,000,000 for each of fiscal years 2013
25 through 2017.

1 (ii) HIGHWAY SAFETY RESEARCH AND
2 DEVELOPMENT.—For highway safety re-
3 search and development under section 403
4 of that title, \$35,000,000 for each of fiscal
5 years 2013 through 2017.

6 (F) SURFACE TRANSPORTATION RE-
7 SEARCH.—For cooperative agreements with
8 nonprofit research organizations to carry out
9 applied pavement research under section 502 of
10 that title, \$200,000,000 for each of fiscal years
11 2013 through 2017.

12 (G) ADMINISTRATIVE EXPENSES.—For ad-
13 ministrative expenses incurred in carrying out
14 the programs referred to in subparagraphs (A)
15 through (F), \$92,890,000 for fiscal year 2013,
16 \$95,040,000 for fiscal year 2014, \$97,190,000
17 for fiscal year 2015, \$99,340,000 for fiscal year
18 2016, and \$101,490,000 for fiscal year 2017.

19 (2) TRANSFERABILITY OF FUNDS.—Section 104
20 of title 23, United States Code, is amended by strik-
21 ing subsection (g) and inserting the following:

22 “(g) TRANSFERABILITY OF FUNDS.—

23 “(1) IN GENERAL.—To the extent that a State
24 determines that funds made available under this title
25 to the State for a purpose are in excess of the needs

1 of the State for that purpose, the State may transfer
2 the excess funds to, and use the excess funds for,
3 any surface transportation (including mass transit
4 and rail) purpose in the State.

5 “(2) ENFORCEMENT.—If the Secretary deter-
6 mines that a State has transferred funds under
7 paragraph (1) to a purpose that is not a surface
8 transportation purpose as described in paragraph
9 (1), the amount of the improperly transferred funds
10 shall be deducted from any amount the State would
11 otherwise receive from the Highway Trust Fund for
12 the fiscal year that begins after the date of the de-
13 termination.”.

14 (3) FEDERAL-AID SYSTEM.—Section 103(a) of
15 title 23, United States Code, is amended by striking
16 “systems are the Interstate System and the National
17 Highway System” and inserting “system is the
18 Interstate System”.

19 (4) INTERSTATE MAINTENANCE PROGRAM.—
20 Section 104(b) of title 23, United States Code, is
21 amended by striking paragraph (4) and inserting the
22 following:

23 “(4) INTERSTATE MAINTENANCE COMPO-
24 NENT.—For each of fiscal years 2013 through 2017,
25 for the Interstate maintenance program under sec-

1 tion 119, 1 percent to the Virgin Islands, Guam,
2 American Samoa, and the Commonwealth of the
3 Northern Mariana Islands and the remaining 99
4 percent apportioned as follows:

5 “(A)(i) For each State with an average
6 population density of 20 persons or fewer per
7 square mile, and each State with a population
8 of 1,500,000 persons or fewer and with a land
9 area of 10,000 square miles or less, the greater
10 of—

11 “(I) a percentage share of apportion-
12 ments equal to the percentage for the
13 State described in clause (ii); or

14 “(II) a share determined under sub-
15 paragraph (B).

16 “(ii) The percentage referred to in clause
17 (i)(I) for a State for a fiscal year shall be the
18 percentage calculated for the State for the fiscal
19 year under section 105(b) of title 23, United
20 States Code.

21 “(B) For each State not described in sub-
22 paragraph (A), a share of the apportionments
23 remaining determined in accordance with the
24 following formula:

1 “(i) $\frac{1}{9}$ in the ratio that the total rural
2 lane miles in each State bears to the total
3 rural lane miles in all States with an aver-
4 age population density greater than 20
5 persons per square mile and all States with
6 a population of more than 1,500,000 per-
7 sons and with a land area of more than
8 10,000 square miles.

9 “(ii) $\frac{1}{9}$ in the ratio that the total
10 rural vehicle miles traveled in each State
11 bears to the total rural vehicle miles trav-
12 eled in all States described in clause (i).

13 “(iii) $\frac{2}{9}$ in the ratio that the total
14 urban lane miles in each State bears to the
15 total urban lane miles in all States de-
16 scribed in clause (i).

17 “(iv) $\frac{2}{9}$ in the ratio that the total
18 urban vehicle miles traveled in each State
19 bears to the total urban vehicle miles trav-
20 eled in all States described in clause (i).

21 “(v) $\frac{3}{9}$ in the ratio that the total die-
22 sel fuel used in each State bears to the
23 total diesel fuel used in all States described
24 in clause (i).”.

1 (5) INTERSTATE BRIDGE PROGRAM.—Section
2 144 of title 23, United States Code, is amended—

3 (A) in subsection (d)—

4 (i) by inserting “on the Federal-aid
5 system or described in subsection (c)(3)”
6 after “highway bridge” each place it ap-
7 pears; and

8 (ii) by inserting “on the Federal-aid
9 system or described in subsection (c)(3)”
10 after “highway bridges” each place it ap-
11 pears;

12 (B) in the second sentence of subsection
13 (e)—

14 (i) in paragraph (1), by adding “and”
15 at the end;

16 (ii) in paragraph (2), by striking the
17 comma at the end and inserting a period;
18 and

19 (iii) by striking paragraphs (3) and
20 (4);

21 (C) in the first sentence of subsection (k),
22 by inserting “on the Federal-aid system or de-
23 scribed in subsection (c)(3)” after “any
24 bridge”;

1 (D) in subsection (l)(1), by inserting “on
2 the Federal-aid system or described in sub-
3 section (c)(3)” after “construct any bridge”;
4 and

5 (E) in the first sentence of subsection (m),
6 by inserting “for each of fiscal years 1991
7 through 2012,” after “of law.”.

8 (6) NATIONAL DEFENSE HIGHWAYS.—Section
9 311 of title 23, United States Code, is amended—

10 (A) in the first sentence, by striking
11 “under subsection (a) of section 104 of this
12 title” and inserting “to carry out this section”;
13 and

14 (B) by striking the second sentence.

15 (7) FEDERALIZATION AND DEFEDERALIZATION
16 OF PROJECTS.—Notwithstanding any other provision
17 of law, beginning on October 1, 2012—

18 (A) a highway construction or improve-
19 ment project shall not be considered to be a
20 Federal highway construction or improvement
21 project unless and until a State expends Fed-
22 eral funds for the construction portion of the
23 project;

24 (B) a highway construction or improve-
25 ment project shall not be considered to be a

1 Federal highway construction or improvement
2 project solely by reason of the expenditure of
3 Federal funds by a State before the construc-
4 tion phase of the project to pay expenses relat-
5 ing to the project, including for any environ-
6 mental document or design work required for
7 the project; and

8 (C)(i) a State may, after having used Fed-
9 eral funds to pay all or a portion of the costs
10 of a highway construction or improvement
11 project, reimburse the Federal Government in
12 an amount equal to the amount of Federal
13 funds so expended; and

14 (ii) after completion of a reimbursement
15 described in clause (i), a highway construction
16 or improvement project described in that clause
17 shall no longer be considered to be a Federal
18 highway construction or improvement project.

19 (8) REPORTING REQUIREMENTS.—No reporting
20 requirement, other than a reporting requirement in
21 effect as of the date of enactment of this Act, shall
22 apply on or after October 1, 2012, to the use of
23 Federal funds for highway projects by a public-pri-
24 vate partnership.

1 (b) EXPENDITURES FROM HIGHWAY TRUST
2 FUND.—

3 (1) EXPENDITURES FOR CORE PROGRAMS.—

4 Section 9503(c) of the Internal Revenue Code of
5 1986 is amended—

6 (A) in paragraph (1), by striking “Surface
7 Transportation Extension Act, Part II” and in-
8 serting “Transportation Empowerment Act”;

9 (B) in paragraph (1), by striking “April 1,
10 2012” and inserting “October 1, 2017”;

11 (C) in paragraphs (3)(A)(i), (4)(A), and
12 (5), by striking “April 1, 2012” each place it
13 appears and inserting “October 1, 2019”; and

14 (D) in paragraph (2), by striking “Janu-
15 ary 1, 2013” and inserting “July 1, 2020”.

16 (2) AMOUNTS AVAILABLE FOR CORE PROGRAM
17 EXPENDITURES.—Section 9503 of such Code is
18 amended by adding at the end the following:

19 “(g) CORE PROGRAMS FINANCING RATE.—For pur-
20 poses of this section—

21 “(1) IN GENERAL.—Except as provided in para-
22 graph (2)—

23 “(A) in the case of gasoline and special
24 motor fuels the tax rate of which is the rate

1 specified in section 4081(a)(2)(A)(i), the core
2 programs financing rate is—

3 “(i) after September 30, 2012, and
4 before October 1, 2013, 18.3 cents per gal-
5 lon,

6 “(ii) after September 30, 2013, and
7 before October 1, 2014, 9.6 cents per gal-
8 lon,

9 “(iii) after September 30, 2014, and
10 before October 1, 2015, 6.4 cents per gal-
11 lon,

12 “(iv) after September 30, 2015, and
13 before October 1, 2016, 5.0 cents per gal-
14 lon, and

15 “(v) after September 30, 2016, 3.7
16 cents per gallon, and

17 “(B) in the case of kerosene, diesel fuel,
18 and special motor fuels the tax rate of which is
19 the rate specified in section 4081(a)(2)(A)(iii),
20 the core programs financing rate is—

21 “(i) after September 30, 2012, and
22 before October 1, 2013, 24.3 cents per gal-
23 lon,

1 “(ii) after September 30, 2013, and
2 before October 1, 2014, 12.7 cents per gal-
3 lon,

4 “(iii) after September 30, 2014, and
5 before October 1, 2015, 8.5 cents per gal-
6 lon,

7 “(iv) after September 30, 2015, and
8 before October 1, 2016, 6.6 cents per gal-
9 lon, and

10 “(v) after September 30, 2016, 5.0
11 cents per gallon.

12 “(2) APPLICATION OF RATE.—In the case of
13 fuels used as described in paragraph (3)(C), (4)(B),
14 and (5) of subsection (c), the core programs financ-
15 ing rate is zero.”.

16 (c) TERMINATION OF TRANSFERS TO MASS TRANSIT
17 ACCOUNT.—

18 (1) IN GENERAL.—Section 9503(e)(2) of the
19 Internal Revenue Code of 1986 is amended by in-
20 serting “, and before October 1, 2012” after “March
21 31, 1983”.

22 (2) TECHNICAL AMENDMENT.—Section
23 9503(e)(4) of such Code is amended by striking
24 “24-month” and inserting “48-month”.

1 (d) EFFECTIVE DATE.—The amendments made by
2 this section take effect on October 1, 2012.

3 **SEC. 104. INFRASTRUCTURE SPECIAL ASSISTANCE FUND.**

4 (a) BALANCE OF CORE PROGRAMS FINANCING RATE
5 DEPOSITED IN FUND.—Section 9503 of the Internal Rev-
6 enue Code of 1986 is amended by adding at the end the
7 following:

8 “(h) ESTABLISHMENT OF INFRASTRUCTURE SPE-
9 CIAL ASSISTANCE FUND.—

10 “(1) CREATION OF FUND.—There is established
11 in the Highway Trust Fund a separate fund to be
12 known as the ‘Infrastructure Special Assistance
13 Fund’ consisting of such amounts as may be trans-
14 ferred or credited to the Infrastructure Special As-
15 sistance Fund as provided in this subsection or sec-
16 tion 9602(b).

17 “(2) TRANSFERS TO INFRASTRUCTURE SPECIAL
18 ASSISTANCE FUND.—On the first day of each fiscal
19 year, the Secretary, in consultation with the Sec-
20 retary of Transportation, shall determine the excess
21 (if any) of—

22 “(A) the sum of—

23 “(i) the amounts appropriated in such
24 fiscal year to the Highway Trust Fund
25 under subsection (b) which are attributable

1 to the core programs financing rate for
2 such year, plus

3 “(ii) the amounts appropriated in
4 such fiscal year to the Highway Trust
5 Fund under subsection (b) which are at-
6 tributable to taxes under sections 4051,
7 4071, and 4481 for such year, over

8 “(B) the amount appropriated under sub-
9 section (c) for such fiscal year,

10 and shall transfer such excess to the Infrastructure
11 Special Assistance Fund.

12 “(3) EXPENDITURES FROM INFRASTRUCTURE
13 SPECIAL ASSISTANCE FUND.—

14 “(A) TRANSITIONAL ASSISTANCE.—

15 “(i) IN GENERAL.—Except as pro-
16 vided in clause (iii), during fiscal years
17 2013 through 2016, \$1,000,000,000 in the
18 Infrastructure Special Assistance Fund
19 shall be available to States for transpor-
20 tation-related program expenditures.

21 “(ii) STATE SHARE.—Each State is
22 entitled to a share of the amount specified
23 in clause (i) determined in the following
24 manner:

1 “(I) Multiply the percentage of
2 the amounts appropriated in the latest
3 fiscal year for which such data are
4 available to the Highway Trust Fund
5 under subsection (b) which is attrib-
6 utable to taxes paid by highway users
7 in the State, by the amount specified
8 in clause (i). If the result does not ex-
9 ceed \$15,000,000, the State’s share
10 equals \$15,000,000. If the result ex-
11 ceeds \$15,000,000, the State’s share
12 is determined under subclause (II).

13 “(II) Multiply the percentage de-
14 termined under subclause (I), by the
15 amount specified in clause (i) reduced
16 by an amount equal to \$15,000,000
17 times the number of States the share
18 of which is determined under sub-
19 clause (I).

20 “(iii) DISTRIBUTION OF REMAINING
21 AMOUNT.—If after September 30, 2016, a
22 portion of the amount specified in clause
23 (i) remains, the Secretary, in consultation
24 with the Secretary of Transportation,
25 shall, on October 1, 2016, apportion the

1 portion among the States using the per-
2 centages determined under clause (ii)(I)
3 for such States.

4 “(B) ADDITIONAL EXPENDITURES FROM
5 FUND.—

6 “(i) IN GENERAL.—Amounts in the
7 Infrastructure Special Assistance Fund, in
8 excess of the amount specified in subpara-
9 graph (A)(i), shall be available, as provided
10 by appropriation Acts, to the States for
11 any surface transportation (including mass
12 transit and rail) purpose in such States,
13 and the Secretary shall apportion such ex-
14 cess amounts among all States using the
15 percentages determined under clause (ii)(I)
16 for such States.

17 “(ii) ENFORCEMENT.—If the Sec-
18 retary determines that a State has used
19 amounts under clause (i) for a purpose
20 which is not a surface transportation pur-
21 pose as described in clause (i), the improper-
22 ly used amounts shall be deducted from
23 any amount the State would otherwise re-
24 ceive from the Highway Trust Fund for

1 the fiscal year which begins after the date
2 of the determination.”.

3 (b) **EFFECTIVE DATE.**—The amendment made by
4 this section takes effect on October 1, 2012.

5 **SEC. 105. RETURN OF EXCESS TAX RECEIPTS TO STATES.**

6 (a) **IN GENERAL.**—Section 9503(c) of the Internal
7 Revenue Code of 1986 is amended by adding at the end
8 the following:

9 “(6) **RETURN OF EXCESS TAX RECEIPTS TO**
10 **STATES FOR SURFACE TRANSPORTATION PUR-**
11 **POSES.**—

12 “(A) **IN GENERAL.**—On the first day of
13 each of fiscal years 2013, 2014, 2015, and
14 2016, the Secretary, in consultation with the
15 Secretary of Transportation, shall—

16 “(i) determine the excess (if any) of—

17 “(I) the amounts appropriated in
18 such fiscal year to the Highway Trust
19 Fund under subsection (b) which are
20 attributable to the taxes described in
21 paragraphs (1) and (2) thereof (after
22 the application of paragraph (4)
23 thereof) over the sum of—

24 “(II) the amounts so appro-
25 priated which are equivalent to—

1 “(aa) such amounts attrib-
2 utable to the core programs fi-
3 nancing rate for such year, plus

4 “(bb) the taxes described in
5 paragraphs (3)(C), (4)(B), and
6 (5) of subsection (c), and

7 “(ii) allocate the amount determined
8 under clause (i) among the States (as de-
9 fined in section 101(a) of title 23, United
10 States Code) for surface transportation
11 (including mass transit and rail) purposes
12 so that—

13 “(I) the percentage of that
14 amount allocated to each State, is
15 equal to

16 “(II) the percentage of the
17 amount determined under clause (i)(I)
18 paid into the Highway Trust Fund in
19 the latest fiscal year for which such
20 data are available which is attrib-
21 utable to highway users in the State.

22 “(B) ENFORCEMENT.—If the Secretary
23 determines that a State has used amounts
24 under subparagraph (A) for a purpose which is
25 not a surface transportation purpose as de-

1 scribed in subparagraph (A), the improperly
2 used amounts shall be deducted from any
3 amount the State would otherwise receive from
4 the Highway Trust Fund for the fiscal year
5 which begins after the date of the determina-
6 tion.”.

7 (b) EFFECTIVE DATE.—The amendment made by
8 this section takes effect on October 1, 2012.

9 **SEC. 106. REDUCTION IN TAXES ON GASOLINE, DIESEL**
10 **FUEL, KEROSENE, AND SPECIAL FUELS**
11 **FUNDING HIGHWAY TRUST FUND.**

12 (a) REDUCTION IN TAX RATE.—

13 (1) IN GENERAL.—Section 4081(a)(2)(A) of the
14 Internal Revenue Code of 1986 is amended—

15 (A) in clause (i), by striking “18.3 cents”
16 and inserting “3.7 cents”; and

17 (B) in clause (iii), by striking “24.3 cents”
18 and inserting “5.0 cents”.

19 (2) CONFORMING AMENDMENTS.—

20 (A) Section 4081(a)(2)(D) of such Code is
21 amended—

22 (i) by striking “19.7 cents” and in-
23 serting “4.1 cents”, and

24 (ii) by striking “24.3 cents” and in-
25 serting “5.0 cents”.

1 (B) Section 6427(b)(2)(A) of such Code is
2 amended by striking “7.4 cents” and inserting
3 “1.5 cents”.

4 (b) ADDITIONAL CONFORMING AMENDMENTS.—

5 (1) Section 4041(a)(1)(C)(iii)(I) of the Internal
6 Revenue Code of 1986 is amended by striking “7.3
7 cents per gallon (4.3 cents per gallon after March
8 31, 2012)” and inserting “1.4 cents per gallon (zero
9 after September 30, 2019)”.

10 (2) Section 4041(a)(2)(B)(ii) of such Code is
11 amended by striking “24.3 cents” and inserting “5.0
12 cents”.

13 (3) Section 4041(a)(3)(A) of such Code is
14 amended by striking “18.3 cents” and inserting “3.7
15 cents”.

16 (4) Section 4041(m)(1) of such Code is amend-
17 ed—

18 (A) in subparagraph (A), by striking
19 “April 1, 2012” and inserting “October 1,
20 2019,”;

21 (B) in subparagraph (A)(i), by striking
22 “9.15 cents” and inserting “1.8 cents”;

23 (C) in subparagraph (A)(ii), by striking
24 “11.3 cents” and inserting “2.3 cents”; and

1 (D) by striking subparagraph (B) and in-
2 serting the following:

3 “(B) zero after September 30, 2019.”.

4 (5) Section 4081(d)(1) of such Code is amend-
5 ed by striking “4.3 cents per gallon after March 31,
6 2012” and inserting “zero after September 30,
7 2019”.

8 (6) Section 9503(b) of such Code is amended—

9 (A) in paragraphs (1) and (2), by striking
10 “April 1, 2012” both places it appears and in-
11 serting “October 1, 2019”;

12 (B) in the heading of paragraph (2), by
13 striking “APRIL 1, 2012” and inserting “OCTO-
14 BER 1, 2019”;

15 (C) in paragraph (2), by striking “after
16 March 31, 2012, and before January 1, 2013”
17 and inserting “after September 30, 2019, and
18 before July 1, 2020”; and

19 (D) in paragraph (6)(B), by striking
20 “April 1, 2012” and inserting “October 1,
21 2017”.

22 (c) FLOOR STOCK REFUNDS.—

23 (1) IN GENERAL.—If—

1 (A) before October 1, 2016, tax has been
2 imposed under section 4081 of the Internal
3 Revenue Code of 1986 on any liquid; and

4 (B) on such date such liquid is held by a
5 dealer and has not been used and is intended
6 for sale;

7 there shall be credited or refunded (without interest)
8 to the person who paid such tax (in this subsection
9 referred to as the “taxpayer”) an amount equal to
10 the excess of the tax paid by the taxpayer over the
11 amount of such tax which would be imposed on such
12 liquid had the taxable event occurred on such date.

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

16 (A) claim therefor is filed with the Sec-
17 retary of the Treasury before April 1, 2017;
18 and

19 (B) in any case where liquid is held by a
20 dealer (other than the taxpayer) on October 1,
21 2016—

22 (i) the dealer submits a request for re-
23 fund or credit to the taxpayer before Janu-
24 ary 1, 2017; and

1 (ii) the taxpayer has repaid or agreed
2 to repay the amount so claimed to such
3 dealer or has obtained the written consent
4 of such dealer to the allowance of the cred-
5 it or the making of the refund.

6 (3) EXCEPTION FOR FUEL HELD IN RETAIL
7 STOCKS.—No credit or refund shall be allowed under
8 this subsection with respect to any liquid in retail
9 stocks held at the place where intended to be sold
10 at retail.

11 (4) DEFINITIONS.—For purposes of this sub-
12 section, the terms “dealer” and “held by a dealer”
13 have the respective meanings given to such terms by
14 section 6412 of such Code; except that the term
15 “dealer” includes a producer.

16 (5) CERTAIN RULES TO APPLY.—Rules similar
17 to the rules of subsections (b) and (c) of section
18 6412 and sections 6206 and 6675 of such Code shall
19 apply for purposes of this subsection.

20 (d) EFFECTIVE DATES.—

21 (1) IN GENERAL.—Except as provided in para-
22 graph (2), the amendments made by this section
23 shall apply to fuel removed after September 30,
24 2016.

1 (2) CERTAIN CONFORMING AMENDMENTS.—The
2 amendments made by subsections (b)(4) and (b)(6)
3 shall apply to fuel removed after March 31, 2012.

4 **SEC. 107. REPORT TO CONGRESS.**

5 Not later than 180 days after the date of enactment
6 of this Act, after consultation with the appropriate com-
7 mittees of Congress, the Secretary of Transportation shall
8 submit a report to Congress describing such technical and
9 conforming amendments to titles 23 and 49, United States
10 Code, and such technical and conforming amendments to
11 other laws, as are necessary to bring those titles and other
12 laws into conformity with the policy embodied in this Act
13 and the amendments made by this Act.

14 **SEC. 108. EFFECTIVE DATE CONTINGENT ON CERTIFI-**
15 **CATION OF DEFICIT NEUTRALITY.**

16 (a) PURPOSE.—The purpose of this section is to en-
17 sure that—

18 (1) this Act will become effective only if the Di-
19 rector of the Office of Management and Budget cer-
20 tifies that this Act is deficit neutral;

21 (2) discretionary spending limits are reduced to
22 capture the savings realized in devolving transpor-
23 tation functions to the State level pursuant to this
24 Act; and

1 (3) the tax reduction made by this Act is not
2 scored under pay-as-you-go and does not inadvert-
3 ently trigger a sequestration.

4 (b) **EFFECTIVE DATE CONTINGENCY.**—Notwith-
5 standing any other provision of this Act, this Act and the
6 amendments made by this Act shall take effect only if—

7 (1) the Director of the Office of Management
8 and Budget (referred to in this section as the “Di-
9 rector”) submits the report as required in subsection
10 (c); and

11 (2) the report contains a certification by the Di-
12 rector that, based on the required estimates, the re-
13 duction in discretionary outlays resulting from the
14 reduction in contract authority is at least as great
15 as the reduction in revenues for each fiscal year
16 through fiscal year 2017.

17 (c) **OMB ESTIMATES AND REPORT.**—

18 (1) **REQUIREMENTS.**—Not later than 5 cal-
19 endar days after the date of enactment of this Act,
20 the Director shall—

21 (A) estimate the net change in revenues re-
22 sulting from this Act for each fiscal year
23 through fiscal year 2017;

24 (B) estimate the net change in discre-
25 tionary outlays resulting from the reduction in

1 contract authority under this Act for each fiscal
2 year through fiscal year 2017;

3 (C) determine, based on those estimates,
4 whether the reduction in discretionary outlays
5 is at least as great as the reduction in revenues
6 for each fiscal year through fiscal year 2017;
7 and

8 (D) submit to Congress a report setting
9 forth the estimates and determination.

10 (2) APPLICABLE ASSUMPTIONS AND GUIDE-
11 LINES.—

12 (A) REVENUE ESTIMATES.—The revenue
13 estimates required under paragraph (1)(A)
14 shall be predicated on the same economic and
15 technical assumptions and scorekeeping guide-
16 lines that would be used for estimates made
17 pursuant to section 252(d) of the Balanced
18 Budget and Emergency Deficit Control Act of
19 1985 (2 U.S.C. 902(d)).

20 (B) OUTLAY ESTIMATES.—The outlay esti-
21 mates required under paragraph (1)(B) shall be
22 determined by comparing the level of discre-
23 tionary outlays resulting from this Act with the
24 corresponding level of discretionary outlays pro-
25 jected in the baseline under section 257 of the

1 Balanced Budget and Emergency Deficit Con-
2 trol Act of 1985 (2 U.S.C. 907).

3 (d) CONFORMING ADJUSTMENT TO DISCRETIONARY
4 SPENDING LIMITS.—On compliance with the requirements
5 specified in subsection (b), the Director shall adjust the
6 adjusted discretionary spending limits for each fiscal year
7 through fiscal year 2012 under section 601(a)(2) of the
8 Congressional Budget Act of 1974 (2 U.S.C. 665(a)(2))
9 by the estimated reductions in discretionary outlays under
10 subsection (c)(1)(B).

11 (e) PAYGO INTERACTION.—On compliance with the
12 requirements specified in subsection (b), no changes in
13 revenues estimated to result from the enactment of this
14 Act shall be counted for the purposes of section 252(d)
15 of the Balanced Budget and Emergency Deficit Control
16 Act of 1985 (2 U.S.C. 902(d)).

