



Joint Committee on Taxation
July 24, 2000
JCX-78-00R

**DESCRIPTION OF CHAIRMAN ARCHER-S AMENDMENT
IN THE NATURE OF A SUBSTITUTE TO H.R. 4844, THE
“RAILROAD RETIREMENT AND SURVIVORS’ IMPROVEMENT ACT OF 2000”**

Chairman Archer-s amendment in the nature of a substitute to the “Railroad Retirement and Survivors’ Improvement Act of 2000”¹ would include the provisions of the bill, with various technical and clerical changes, and the following modifications:

A. Establish Legal Domicile of the Railroad Retirement Investment Trust

The provision providing for the establishment of the Railroad Retirement Investment Trust (“Trust”) is modified by clarifying that the legal domicile of the Trust is the District of Columbia.

B. Enforcement of Fiduciary Standards

The provision providing for fiduciary standards for each member of the board of trustees of the Railroad Retirement Trust is modified to provide for enforcement of these standards by the Railroad Retirement Board.

C. Transition Rule for Transfer or Conversion of Existing Obligations

The provision providing for the transfer of assets from the railroad retirement account and the Social Security equivalent benefit account to the Railroad Retirement Trust Fund is modified to provide for the board of trustees for the Trust to consult with the Secretary of the Treasury to develop an appropriate method for transferring or converting existing obligations held by the accounts.

**D. Repeal the 4.3-Cents-Per-Gallon General Fund Excise Taxes on
Train Diesel Fuel and Inland Waterway Barge Fuels**

Under present law, diesel fuel used in trains is subject to a 4.4-cents-per-gallon excise tax. Revenues from 4.3 cents per gallon of this excise tax are retained in the General Fund of the Treasury. The remaining 0.1 cent per gallon is deposited in the Leaking Underground Storage Tax (“LUST”) Trust Fund.

¹ The bill is described in the document entitled: Joint Committee on Taxation, *Description of the “Railroad Retirement and Survivors’ Improvement Act of 2000 (H.R. 4844)”*(JCX-74-00R), July 24, 2000.

Similarly, fuel used in barges operating on the designated inland waterways system is subject to a 4.3-cents-per-gallon General Fund excise tax. This tax is in addition to the 20.1-cents-per-gallon tax rates that are imposed on fuel used in these barges to fund the Inland Waterways Trust Fund and the Leaking Underground Storage Tank Trust Fund.

In both cases, the 4.3-cents-per-gallon excise tax rates are permanent. The LUST tax is scheduled to expire after March 31, 2005.

The amendment in the nature of a substitute would repeal the 4.3-cents-per-gallon General Fund excise taxes on diesel fuel used in trains and fuel used in barges operating on the designated inland waterways system.

Effective date.--The provision would be effective on October 1, 2000.