

[Pub. L. 111-148, title X, §10905(g), Mar. 23, 2010, 124 Stat. 1019, provided that: “The amendments made by this section [amending section 9010 of Pub. L. 111-148, set out above] shall take effect as if included in the enactment of section 9010.”]

CHAPTER 31—RETAIL EXCISE TAXES

Subchapter	Sec.1
A. Luxury passenger vehicles ²	4001
B. Special fuels	4041
C. Heavy trucks and trailers	4051

PRIOR PROVISIONS

The provisions of a prior chapter 31, Miscellaneous Excise Taxes, were set out as:

Subchapter (A), Jewelry and related items, comprising sections 4001 to 4003;

Subchapter (B), Furs, comprising sections 4011 to 4013;

Subchapter (C), Toilet preparations, comprising sections 4021 and 4022;

Subchapter (D), Luggage, handbags, etc., comprising section 4031;

Subchapter (E), Special fuels, comprising sections 4041 and 4042; and

Subchapter (F), Special provisions applicable to retailers tax, comprising sections 4051 to 4058.

The headings for subchs. (A) to (D) were struck out by section 101(b)(1) and the listed sections were repealed by section 101(a) of Pub. L. 89-44, title I, June 21, 1965, 79 Stat. 136, the Excise Tax Reduction Act of 1965, applicable with respect to articles sold on or after June 22, 1965, as provided in section 701(a) of Pub. L. 89-44, set out as an Effective Date of 1965 Amendment note under section 4161 of this title.

The headings for subchs. (E) and (F) were stricken by section 1904(a)(1)(A) of Pub. L. 94-455, title XIX, Oct. 4, 1976, 90 Stat. 1810, the Tax Reform Act of 1976. Sections 4051 to 4053 were repealed by section 101(b)(2) of Pub. L. 89-44, title I, June 21, 1965, 79 Stat. 136, applicable with respect to articles sold on or after June 22, 1965, as provided in section 701(a) of Pub. L. 89-44, set out as an Effective Date of 1965 Amendment note under section 4061 of this title; and sections 4042 and 4054 to 4058 were repealed by section 1904(a)(1)(D) of Pub. L. 94-455, title XIX, Oct. 4, 1976, 90 Stat. 1811, effective Feb. 1, 1977, as provided in section 1904(d) of Pub. L. 94-455, set out as an Effective Date of 1976 Amendment note under section 4041 of this title.

The subject matter of the prior sections was as follows:

A prior section 4001, acts Aug. 16, 1954, ch. 736, 68A Stat. 473; Sept. 2, 1958, Pub. L. 85-859, title I, §101, 72 Stat. 1275; Sept. 21, 1959, Pub. L. 86-344, §1(a), 73 Stat. 617, imposed an excise tax equivalent to 10 percent of selling price upon jewelry, stones, watches, clocks, case and movements for watches and clocks, flatware and hollow ware, opera glasses, lorgnettes, marine glasses, field glasses, and binoculars.

A prior section 4002, act Aug. 16, 1954, ch. 736, 68A Stat. 473, defined “articles sold at retail” to include articles sold at auction.

A prior section 4003, acts Aug. 16, 1954, ch. 736, 68A Stat. 474; Sept. 2, 1958, Pub. L. 85-859, title I, §102, 72 Stat. 1276, specified exemptions to tax imposed by section 4001.

A prior section 4011, act Aug. 16, 1954, ch. 736, 68A Stat. 475, imposed an excise tax equivalent to 10 percent of selling price upon fur articles.

A prior section 4012, act Aug. 16, 1954, ch. 736, 68A Stat. 475, defined “article sold at retail” to include articles manufactured from material supplied by customer and articles sold at auction.

A prior section 4013, act Aug. 16, 1954, ch. 736, 68A Stat. 475, specified exemptions to tax imposed by section 4011.

A prior section 4021, acts Aug. 16, 1954, ch. 736, 68A Stat. 476; Apr. 8, 1960, Pub. L. 86-413, §1, 74 Stat. 31, imposed an excise tax equivalent to 10 percent of selling price upon toilet preparations.

A prior section 4022, act Aug. 16, 1954, ch. 736, 68A Stat. 476, specified certain exemptions from tax imposed by section 4021, including items for babies, items used in barber shops and beauty parlors, and miniature samples.

A prior section 4031, acts Aug. 16, 1954, ch. 736, 68A Stat. 477; Sept. 2, 1958, Pub. L. 85-859, title I, §103, 72 Stat. 1276, imposed an excise tax equivalent to 10 percent of selling price upon luggage and handbags, including billfolds and wallets, traveler’s garment bags, and briefcases.

A prior section 4042, act Aug. 16, 1954, ch. 736, 68A Stat. 478, provided a cross reference to section 4222 for exemption from tax where special motor fuels are sold for use for certain vessels.

A prior section 4051, act Aug. 16, 1954, ch. 736, 68A Stat. 479, defined price for which articles were sold for purposes of determining retailers excise taxes.

A prior section 4052, act Aug. 16, 1954, ch. 736, 68A Stat. 479, provided that lease of an article would be considered sale of article for excise tax purposes.

A prior section 4053, acts Aug. 16, 1954, ch. 736, 68A Stat. 479; Sept. 2, 1958, Pub. L. 85-859, title I, §104, 72 Stat. 1276, made provision for imposition of retailers tax on installment sales.

A prior section 4054, act Aug. 16, 1954, ch. 736, 68A Stat. 479, related to application of taxes to retail sales by United States or by any agency or instrumentality of United States unless specifically exempted from such tax.

A prior section 4055, act Aug. 16, 1954, ch. 736, 68A Stat. 480; June 21, 1965, Pub. L. 89-44, title I, §101(b)(3), 79 Stat. 136, exempted from taxes articles sold for exclusive use of any State, Territory of United States, or any political subdivision thereof, or District of Columbia, including use by such entities of any liquid as a fuel.

A prior section 4056, act Aug. 16, 1954, ch. 736, 68A Stat. 480, provided that no tax shall be imposed upon sale of any article for export, or for shipment to a possession of United States and in due course so shipped and exported.

A prior section 4057, added Pub. L. 85-859, title I, §105(a), Sept. 2, 1958, 72 Stat. 1277; amended Pub. L. 86-344, §2(a), Sept. 21, 1959, 73 Stat. 617; Pub. L. 89-44, title I, §101(b)(4), June 21, 1965, 79 Stat. 136; Pub. L. 91-172, title I, §101(j)(25), Dec. 30, 1969, 83 Stat. 528, provided an exception with respect to sale of any article to a non-profit educational organization for its exclusive use including use of any liquid as a fuel and defined “non-profit educational organization”.

A prior section 4058, act Aug. 16, 1954, ch. 736, 68A Stat. 480, §4058, formerly 4057; renumbered Sept. 2, 1958, Pub. L. 85-859, title I, §105(a), 72 Stat. 1277, related to cross references for exemption of sales to United States in certain cases and administrative provisions of general application.

AMENDMENTS

1993—Pub. L. 103-66, title XIII, §13161(b)(3), Aug. 10, 1993, 107 Stat. 453, substituted “Luxury passenger vehicles” for “Certain luxury items” in item for subchapter A.

1990—Pub. L. 101-508, title XI, §11221(e), Nov. 5, 1990, 104 Stat. 1388-444, added item for subchapter A and re-designated former items for subchapters A and B as B and C, respectively.

1983—Pub. L. 97-424, title V, §512(b)(2)(A), Jan. 6, 1983, 96 Stat. 2177, substituted “Retail Excise Taxes” for “Special Fuels” in chapter heading, and added an analysis for subchapters A and B.

1976—Pub. L. 94-455, title XIX, §1904(a)(1)(A), Oct. 4, 1976, 90 Stat. 1810, substituted “Special Fuels” for “Retailers Excise Taxes” in chapter heading.

¹ Section numbers editorially supplied.

² So in original. Does not conform to subchapter heading.

Subchapter A—Luxury Passenger Automobiles

- Sec.
- 4001. Imposition of tax.
- 4002. 1st retail sale; uses, etc. treated as sales; determination of price.
- 4003. Special rules.

PRIOR PROVISIONS

This subchapter consisted of part I with subparts A (§§4001–4004) and B (§§4006, 4007) and part II (§§4011, 4012), prior to being amended generally by Pub. L. 103–66, title XIII, §13161(a), Aug. 10, 1993, 107 Stat. 449.

Another prior subchapter A of chapter 31 was redesignated subchapter B by Pub. L. 101–508, title XI, §11221(a), Nov. 5, 1990, 104 Stat. 1388–438.

AMENDMENTS

1993—Pub. L. 103–66, title XIII, §13161(a), Aug. 10, 1993, 107 Stat. 449, amended subchapter heading and analysis generally, substituting “Luxury Passenger Automobiles” for “Certain Luxury Items” in subchapter heading, striking out part analysis consisting of parts I “Imposition of taxes” and II “Rules of general applicability”, part I heading “IMPOSITION OF TAXES”, subpart analysis consisting of subparts A “Passenger vehicles, boats, and aircraft” and B “Jewelry and furs”, and subpart A heading “Passenger Vehicles, Boats, and Aircraft”, substituting “Imposition of tax” for “Passenger vehicles” in item 4001, “1st retail sale; uses, etc. treated as sales; determination of price” for “Boats” in item 4002, and “Special rules” for “Aircraft” in item 4003, and striking out item 4004 “Rules applicable to subpart A”.

§ 4001. Imposition of tax

(a) Imposition of tax

(1) In general

There is hereby imposed on the 1st retail sale of any passenger vehicle a tax equal to 10 percent of the price for which so sold to the extent such price exceeds the applicable amount.

(2) Applicable amount

(A) In general

Except as provided in subparagraphs (B) and (C), the applicable amount is \$30,000.

(B) Qualified clean-fuel vehicle property

In the case of a passenger vehicle which is propelled by a fuel which is not a clean-burning fuel and to which is installed qualified clean-fuel vehicle property (as defined in section 179A(c)(1)(A)) for purposes of permitting such vehicle to be propelled by a clean-burning fuel, the applicable amount is equal to the sum of—

- (i) the dollar amount in effect under subparagraph (A), plus
- (ii) the increase in the price for which the passenger vehicle was sold (within the meaning of section 4002) due to the installation of such property.

(C) Purpose built passenger vehicle

(i) In general

In the case of a purpose built passenger vehicle, the applicable amount is equal to 150 percent of the dollar amount in effect under subparagraph (A).

(ii) Purpose built passenger vehicle

For purposes of clause (i), the term “purpose built passenger vehicle” means a pas-

senger vehicle produced by an original equipment manufacturer and designed so that the vehicle may be propelled primarily by electricity.

(b) Passenger vehicle

(1) In general

For purposes of this subchapter, the term “passenger vehicle” means any 4-wheeled vehicle—

- (A) which is manufactured primarily for use on public streets, roads, and highways, and
- (B) which is rated at 6,000 pounds unloaded gross vehicle weight or less.

(2) Special rules

(A) Trucks and vans

In the case of a truck or van, paragraph (1)(B) shall be applied by substituting “gross vehicle weight” for “unloaded gross vehicle weight”.

(B) Limousines

In the case of a limousine, paragraph (1) shall be applied without regard to subparagraph (B) thereof.

(c) Exceptions for taxicabs, etc.

The tax imposed by this section shall not apply to the sale of any passenger vehicle for use by the purchaser exclusively in the active conduct of a trade or business of transporting persons or property for compensation or hire.

(d) Exemption for law enforcement uses, etc.

No tax shall be imposed by this section on the sale of any passenger vehicle—

- (1) to the Federal Government, or a State or local government, for use exclusively in police, firefighting, search and rescue, or other law enforcement or public safety activities, or in public works activities, or
- (2) to any person for use exclusively in providing emergency medical services.

(e) Inflation adjustment

(1) In general

The \$30,000 amount in subsection (a) shall be increased by an amount equal to—

- (A) \$30,000, multiplied by
- (B) the cost-of-living adjustment under section 1(f)(3) for the calendar year in which the vehicle is sold, determined by substituting “calendar year 1990” for “calendar year 1992” in subparagraph (B) thereof.

(2) Rounding

If any amount as adjusted under paragraph (1) is not a multiple of \$2,000, such amount shall be rounded to the next lowest multiple of \$2,000.

(f) Phasedown

For sales occurring in calendar years after 1995 and before 2003, subsection (a)(1) and section 4003(a) shall be applied by substituting for “10 percent”, each place it appears, the percentage determined in accordance with the following table:

If the calendar year is:	The percentage is:
1996	9 percent