

subsection (a) [amending this section] shall apply to transportation beginning after September 30, 1988, but shall not apply to amounts paid on or before such date.”

EFFECTIVE DATE OF 1986 AMENDMENT

Amendment by Pub. L. 99-514 effective, except as otherwise provided, as if included in the provisions of the Tax Reform Act of 1984, Pub. L. 98-369, div. A, to which such amendment relates, see section 1881 of Pub. L. 99-514, set out as a note under section 48 of this title.

EFFECTIVE DATE OF 1984 AMENDMENT

Pub. L. 98-369, div. A, title X, §1018(c)(2), July 18, 1984, 98 Stat. 1022, provided that: “The amendment made by subsection (b) [amending this section] shall apply to transportation beginning after March 31, 1984, but shall not apply to any amount paid on or before such date.”

EFFECTIVE DATE OF 1982 AMENDMENT

Pub. L. 97-248, title II, §280(d), Sept. 3, 1982, 96 Stat. 565, provided that: “The amendments made by this section [amending this section and sections 4271, 4281, and 6156 of this title and repealing sections 4491 to 4494 and 6426 of this title] shall apply with respect to transportation beginning after August 31, 1982; except that such amendments shall not apply to any amount paid on or before such date.”

EFFECTIVE DATE OF 1976 AMENDMENT

Amendment by Pub. L. 94-455 effective on first day of first month which begins more than 90 days after Oct. 4, 1976, see section 1904(d) of Pub. L. 94-455, set out as a note under section 4041 of this title.

EFFECTIVE DATE OF 1970 AMENDMENT

Amendment by Pub. L. 91-258 applicable to transportation beginning after June 30, 1970, see section 211(b) of Pub. L. 91-258, set out as a note under section 4041 of this title.

EFFECTIVE DATE OF 1965 AMENDMENT

Pub. L. 89-44, title VII, §701(b)(3), June 21, 1965, 79 Stat. 157, provided that: “The amendments made by section 303 [amending this section] shall apply with respect to amounts paid for transportation, and amounts paid for accommodations in connection with transportation, beginning on or after July 1, 1965.”

EFFECTIVE DATE OF 1962 AMENDMENT

Pub. L. 87-508, §5(b), June 28, 1962, 76 Stat. 115, provided that the amendment made by that section is effective with respect to transportation beginning after Nov. 15, 1962.

EFFECTIVE DATE OF 1956 AMENDMENT

Act July 25, 1956, ch. 725, §6, 70 Stat. 646, provided that: “The amendments made by this Act [amending this section and sections 4262 to 4264, 4291, and 6421 of this title] shall apply to amounts paid on or after the first day of the first month which begins more than sixty days after the date of the enactment of this Act [July 25, 1956] for transportation commencing on or after such first day.”

SAVINGS PROVISION

For provisions that nothing in amendment by section 401(b)(42) of Pub. L. 115-141 be construed to affect treatment of certain transactions occurring, property acquired, or items of income, loss, deduction, or credit taken into account prior to Mar. 23, 2018, for purposes of determining liability for tax for periods ending after Mar. 23, 2018, see section 401(e) of Pub. L. 115-141, set out as a note under section 23 of this title.

DELAYED DEPOSITS OF AIRPORT TRUST FUND TAX REVENUES

Due date for deposits of taxes imposed by this section which would be required to be made after Aug. 14, 1997,

and before Oct. 1, 1997, to be Oct. 10, 1997, and due date for deposits of taxes imposed by this section which would be required to be made after Aug. 14, 1998, and before Oct. 1, 1998, to be Oct. 5, 1998, see section 1031(g) of Pub. L. 105-34, set out as a note under section 6302 of this title.

PLAN AMENDMENTS NOT REQUIRED UNTIL JANUARY 1, 1989

For provisions directing that if any amendments made by subtitle A or subtitle C of title XI [§§1101-1147 and 1171-1177] or title XVIII [§§1800-1899A] of Pub. L. 99-514 require an amendment to any plan, such plan amendment shall not be required to be made before the first plan year beginning on or after Jan. 1, 1989, see section 1140 of Pub. L. 99-514, as amended, set out as a note under section 401 of this title.

INFLATION ADJUSTED ITEMS FOR CERTAIN YEARS

Provisions relating to inflation adjustment of items in this section for certain years were contained in the following:

2011—Internal Revenue News Release IR 2010-129, Dec. 29, 2010.

2010—Internal Revenue News Release IR 2009-120, Dec. 23, 2009.

§ 4262. Definition of taxable transportation

(a) Taxable transportation; in general

For purposes of this part, except as provided in subsection (b), the term “taxable transportation” means—

(1) transportation by air which begins in the United States or in the 225-mile zone and ends in the United States or in the 225-mile zone; and

(2) in the case of transportation by air other than transportation described in paragraph (1), that portion of such transportation which is directly or indirectly from one port or station in the United States to another port or station in the United States, but only if such portion is not a part of uninterrupted international air transportation (within the meaning of subsection (c)(3)).

(b) Exclusion of certain travel

For purposes of this part, the term “taxable transportation” does not include that portion of any transportation by air which meets all 4 of the following requirements:

(1) such portion is outside the United States;

(2) neither such portion nor any segment thereof is directly or indirectly—

(A) between (i) a point where the route of the transportation leaves or enters the continental United States, or (ii) a port or station in the 225-mile zone, and

(B) a port or station in the 225-mile zone;

(3) such portion—

(A) begins at either (i) the point where the route of the transportation leaves the United States, or (ii) a port or station in the 225-mile zone, and

(B) ends at either (i) the point where the route of the transportation enters the United States, or (ii) a port or station in the 225-mile zone; and

(4) a direct line from the point (or the port or station) specified in paragraph (3)(A), to the point (or the port or station) specified in paragraph (3)(B), passes through or over a point

which is not within 225 miles of the United States.

(c) Definitions

For purposes of this section—

(1) Continental United States

The term “continental United States” means the District of Columbia and the States other than Alaska and Hawaii.

(2) 225-mile zone

The term “225-mile zone” means that portion of Canada and Mexico which is not more than 225 miles from the nearest point in the continental United States.

(3) Uninterrupted international air transportation

The term “uninterrupted international air transportation” means any transportation by air which is not transportation described in subsection (a)(1) and in which—

(A) the scheduled interval between (i) the beginning or end of the portion of such transportation which is directly or indirectly from one port or station in the United States to another port or station in the United States and (ii) the end or beginning of the other portion of such transportation is not more than 12 hours, and

(B) the scheduled interval between the beginning or end and the end or beginning of any two segments of the portion of such transportation referred to in subparagraph (A)(i) is not more than 12 hours.

For purposes of this paragraph, in the case of personnel of the United States Army, Air Force, Navy, Marine Corps, and Coast Guard traveling in uniform at their own expense when on official leave, furlough, or pass, the scheduled interval described in subparagraph (A) shall be deemed to be not more than 12 hours if a ticket for the subsequent portion of such transportation is purchased within 12 hours after the end of the earlier portion of such transportation and the purchaser accepts and utilizes the first accommodations actually available to him for such subsequent portion.

(d) Transportation

For purposes of this part, the term “transportation” includes layover or waiting time and movement of the aircraft in deadhead service.

(e) Authority to waive 225-mile zone provisions

(1) In general

If the Secretary of the Treasury determines that Canada or Mexico has entered into a qualified agreement—

(A) the Secretary shall publish a notice of such determination in the Federal Register, and

(B) effective with respect to transportation beginning after the date specified in such notice, to the extent provided in the agreement, the term “225-mile zone” shall not include part or all of the country with respect to which such determination is made.

(2) Termination of waiver

If a determination was made under paragraph (1) with respect to any country and the

Secretary of the Treasury subsequently determines that the agreement is no longer in effect or that the agreement is no longer a qualified agreement—

(A) the Secretary shall publish a notice of such determination in the Federal Register, and

(B) subparagraph (B) of paragraph (1) shall cease to apply with respect to transportation beginning after the date specified in such notice.

(3) Qualified agreement

For purposes of this subsection, the term “qualified agreement” means an agreement between the United States and Canada or Mexico (as the case may be)—

(A) setting forth that portion of such country which is not to be treated as within the 225-mile zone, and

(B) providing that the tax imposed by such country on transportation described in subparagraph (A) will be at a level which the Secretary of the Treasury determines to be appropriate.

(4) Requirement that agreement be submitted to Congress

No notice may be published under paragraph (1)(A) with respect to any qualified agreement before the date 90 days after the date on which a copy of such agreement was furnished to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.

(Added July 25, 1956, ch. 725, § 3, 70 Stat. 644; amended Pub. L. 86-70, § 22(b), June 25, 1959, 73 Stat. 146; Pub. L. 86-624, § 18(a), July 12, 1960, 74 Stat. 416; Pub. L. 87-508, § 5(b), June 28, 1962, 76 Stat. 116; Pub. L. 89-44, title VIII, § 803(a), June 21, 1965, 79 Stat. 160; Pub. L. 91-258, title II, § 203(b), May 21, 1970, 84 Stat. 238; Pub. L. 97-248, title II, § 281A(a)(1), (2), Sept. 3, 1982, 96 Stat. 566, 567.)

PRIOR PROVISIONS

A prior section 4262 was renumbered 4263 of this title and later repealed.

AMENDMENTS

1982—Subsec. (c)(3). Pub. L. 97-248, § 281A(a)(1), substituted “12 hours” for “6 hours” wherever appearing. Subsec. (e). Pub. L. 97-248, § 281A(a)(2), added subsec. (e).

1970—Subsec. (a). Pub. L. 91-258, § 203(b)(1)–(3), substituted “part” for “subchapter” in introductory text, “transportation by air” for “transportation” in par. (1), and “in the case of transportation by air” for “in the case of transportation” in par. (2), respectively.

Subsec. (b). Pub. L. 91-258, § 203(b)(1), (4), substituted “part” for “subchapter” and “transportation by air which” for “transportation which”, in introductory text, respectively.

Subsec. (d). Pub. L. 91-258, § 203(b)(5), added subsec. (d).

1965—Subsec. (c)(4). Pub. L. 89-44 inserted sentence relating to personnel of the Armed Forces traveling in uniform at their own expense following subpar. (B).

1962—Subsec. (a). Pub. L. 87-508 substituted in introductory phrase “subchapter” for “part” and inserted in par. (2) “, but only if such portion is not a part of uninterrupted international air transportation (within the meaning of subsection (c)(3))”.

Subsec. (b). Pub. L. 87-508 substituted in introductory phrase “subchapter” for “part”.

Subsec. (c)(3). Pub. L. 87-508 added par. (3).

1960—Subsec. (c)(1). Pub. L. 86-624 inserted “and Hawaii” after “Alaska”.

1959—Subsec. (c)(1). Pub. L. 86-70 substituted “the District of Columbia and the States other than Alaska” for “the existing 48 States and the District of Columbia”.

EFFECTIVE DATE OF 1982 AMENDMENT

Pub. L. 97-248, title II, §281A(a)(3), Sept. 3, 1982, 96 Stat. 567, provided that: “The amendments made by this subsection [amending this section] shall apply to transportation beginning after August 31, 1982.”

EFFECTIVE DATE OF 1970 AMENDMENT

Amendment by Pub. L. 91-258 applicable to transportation beginning after June 30, 1970, see section 211(b) of Pub. L. 91-258, set out as a note under section 4041 of this title.

EFFECTIVE DATE OF 1965 AMENDMENT

Pub. L. 89-44, title VIII, §803(b), June 21, 1965, 79 Stat. 160, provided that: “The amendment made by subsection (a) [amending this section] shall apply with respect to amounts paid for transportation beginning on or after July 1, 1965.”

EFFECTIVE DATE OF 1962 AMENDMENT

Pub. L. 87-508, §5(b), June 28, 1962, 76 Stat. 115, provided that the amendment made by that section is effective with respect to transportation beginning after Nov. 15, 1962.

EFFECTIVE DATE OF 1960 AMENDMENT

Amendment by Pub. L. 86-624 effective August 21, 1959, see section 18(k) of Pub. L. 86-624, set out as a note under section 3121 of this title.

EFFECTIVE DATE OF 1959 AMENDMENT

Amendment by Pub. L. 86-70 effective Jan. 3, 1959, see section 22(i) of Pub. L. 86-70, set out as a note under section 3121 of this title.

EFFECTIVE DATE

Section applicable to amounts paid on or after first day of first month which begins more than sixty days after July 25, 1956, for transportation commencing on or after such first day, see section 6 of act July 25, 1956, set out as an Effective Date of 1956 Amendment note under section 4261 of this title.

TRANSFER OF FUNCTIONS

For transfer of authorities, functions, personnel, and assets of the Coast Guard, including the authorities and functions of the Secretary of Transportation relating thereto, to the Department of Homeland Security, and for treatment of related references, see sections 468(b), 551(d), 552(d), and 557 of Title 6, Domestic Security, and the Department of Homeland Security Reorganization Plan of November 25, 2002, as modified, set out as a note under section 542 of Title 6.

§ 4263. Special rules

(a) Payments made outside the United States for prepaid orders

If the payment upon which tax is imposed by section 4261 is made outside the United States for a prepaid order, exchange order, or similar order, the person furnishing the initial transportation pursuant to such order shall collect the amount of the tax.

(b) Tax deducted upon refunds

Every person who refunds any amount with respect to a ticket or order which was purchased without payment of the tax imposed by section

4261 shall deduct from the amount refundable, to the extent available, any tax due under such section as a result of the use of a portion of the transportation purchased in connection with such ticket or order, and shall report to the Secretary the amount of any such tax remaining uncollected.

(c) Payment of tax

Where any tax imposed by section 4261 is not paid at the time payment for transportation is made, then, under regulations prescribed by the Secretary, to the extent that such tax is not collected under any other provision of this subchapter, such tax shall be paid by the carrier providing the initial segment of such transportation which begins or ends in the United States.

(d) Application of tax

The tax imposed by section 4261 shall apply to any amount paid within the United States for transportation of any person by air unless the taxpayer establishes, pursuant to regulations prescribed by the Secretary, at the time of payment for the transportation, that the transportation is not transportation in respect of which tax is imposed by section 4261.

(e) Round trips

In applying this subchapter to a round trip, such round trip shall be considered to consist of transportation from the point of departure to the destination, and of separate transportation thereafter.

(f) Transportation outside the northern portion of the Western Hemisphere

In applying this subchapter to transportation any part of which is outside the northern portion of the Western Hemisphere, if the route of such transportation leaves and reenters the northern portion of the Western Hemisphere, such transportation shall be considered to consist of transportation to a point outside such northern portion, and of separate transportation thereafter. For purposes of this subsection, the term “northern portion of the Western Hemisphere” means the area lying west of the 30th meridian west of Greenwich, east of the international dateline, and north of the Equator, but not including any country of South America.

(Added July 25, 1956, ch. 725, §4(a), 70 Stat. 645, §4264; amended Pub. L. 87-508, §5(b), June 28, 1962, 76 Stat. 117; renumbered §4263, Pub. L. 91-258, title II, §205(c)(2), May 21, 1970, 84 Stat. 242; amended Pub. L. 94-455, title XIX, §1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1834; Pub. L. 105-34, title X, §1031(c)(3), Aug. 5, 1997, 111 Stat. 932.)

PRIOR PROVISIONS

A prior section 4263, acts Aug. 16, 1954, ch. 736, 68A Stat. 506, §4263, formerly §4262; renumbered §4263 and amended July 25, 1956, ch. 725, §2, 70 Stat. 644; Aug. 7, 1956, ch. 1024, §1, 70 Stat. 1077; June 29, 1957, Pub. L. 85-74, 71 Stat. 243; Sept. 2, 1958, Pub. L. 85-859, title I, §134, 72 Stat. 1292; June 28, 1962, Pub. L. 87-508, §5(b), 76 Stat. 117, provided for exemptions, subsecs. (a) to (d) relating to commutation travel, etc., certain organizations; members of the Armed Forces, and small aircraft on nonestablished lines, respectively, prior to repeal by Pub. L. 91-258, title II, §205(c)(1), May 21, 1970, 84 Stat.