

116TH CONGRESS
1ST SESSION

H. R. 1786

To amend the Internal Revenue Code of 1986 to repeal the limitation on the cover over of distilled spirits taxes to Puerto Rico and Virgin Islands and to transfer a portion of such cover over to the Puerto Rico Conservation Trust Fund.

IN THE HOUSE OF REPRESENTATIVES

MARCH 14, 2019

Miss GONZÁLEZ-COLÓN of Puerto Rico (for herself, Mr. YOUNG, Ms. VELÁZQUEZ, Mr. DUFFY, Mr. SERRANO, Mr. BISHOP of Utah, Mr. GRIJALVA, Mr. BRENDAN F. BOYLE of Pennsylvania, and Mr. SUOZZI) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to repeal the limitation on the cover over of distilled spirits taxes to Puerto Rico and Virgin Islands and to transfer a portion of such cover over to the Puerto Rico Conservation Trust Fund.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. REPEAL OF LIMITATION ON COVER OVER OF**
2 **DISTILLED SPIRITS TAXES TO PUERTO RICO**
3 **AND VIRGIN ISLANDS.**

4 (a) IN GENERAL.—Section 7652 of the Internal Rev-
5 enue Code of 1986 is amended by striking subsection (f)
6 and by redesignating subsections (g) and (h) as sub-
7 sections (f) and (g), respectively.

8 (b) EFFECTIVE DATE.—The amendments made by
9 this section shall apply to distilled spirits brought into the
10 United States after December 31, 2018.

11 **SEC. 2. TRANSFER TO PUERTO RICO CONSERVATION**
12 **TRUST FUND OF PORTION OF PUERTO RICO**
13 **RUM COVER OVER.**

14 (a) IN GENERAL.—Section 7652(e) of the Internal
15 Revenue Code of 1986 is amended by redesignating para-
16 graphs (3), (4), and (5) as paragraphs (4), (5), and (6),
17 respectively, and by inserting after paragraph (2) the fol-
18 lowing new paragraph:

19 “(2) TRANSFER TO PUERTO RICO CONSERVA-
20 TION TRUST FUND OF PORTION OF RUM COVER
21 OVER.—

22 “(A) IN GENERAL.—From any amount
23 otherwise required to be covered over to the
24 treasury of Puerto Rico under this section with
25 respect to taxes collected on rum under section
26 5001(a)(1) or subsection (a), the Secretary of

1 the Treasury shall transfer to the Puerto Rico
2 Conservation Trust Fund an amount equal to
3 \$0.46 per proof gallon of rum to which such
4 cover over is attributable. Any amount trans-
5 ferred under the preceding sentence shall be
6 treated for purposes of this section (other than
7 this paragraph) as having been covered over to
8 the treasury of Puerto Rico.

9 “(B) PUERTO RICO CONSERVATION TRUST
10 FUND.—For purposes of this section, the term
11 ‘Puerto Rico Conservation Trust Fund’ means
12 the fund established pursuant to a Memo-
13 randum of Understanding between the United
14 States Department of the Interior and the
15 Commonwealth of Puerto Rico, dated December
16 24, 1968.”.

17 (b) EFFECTIVE DATE.—The amendments made by
18 this section shall apply to rum brought into the United
19 States after December 31, 2018.

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