

116TH CONGRESS  
1ST SESSION

# S. 3101

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

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IN THE SENATE OF THE UNITED STATES

DECEMBER 18, 2019

Mr. MENENDEZ (for himself and Mr. CRAPO) introduced the following bill;  
which was read twice and referred to the Committee on Finance

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## 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 the 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,*

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

6 (a) IN GENERAL.—Section 7652 of the Internal Rev-  
7 enue Code of 1986 is amended by striking subsection (f)

1 and by redesignating subsections (g) and (h) as sub-  
 2 sections (f) and (g), respectively.

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

6 **SEC. 2. TRANSFER TO PUERTO RICO CONSERVATION**  
 7 **TRUST FUND OF PORTION OF PUERTO RICO**  
 8 **RUM COVER OVER.**

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

14 “(2) TRANSFER TO PUERTO RICO CONSERVA-  
 15 TION TRUST FUND OF PORTION OF RUM COVER  
 16 OVER.—

17 “(A) IN GENERAL.—From any amount  
 18 otherwise required to be covered over to the  
 19 treasury of Puerto Rico under this section with  
 20 respect to taxes collected on rum under section  
 21 5001(a)(1) or subsection (a), the Secretary of  
 22 the Treasury shall transfer to the Puerto Rico  
 23 Conservation Trust Fund an amount equal to  
 24 \$0.46 per proof gallon of rum to which such  
 25 cover over is attributable. Any amount trans-

1           ferred under the preceding sentence shall be  
2           treated for purposes of this section (other than  
3           this paragraph) as having been covered over to  
4           the treasury of Puerto Rico.

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

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

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