

119TH CONGRESS
2D SESSION

H. R. 9027

To authorize the Secretary of Defense to carry out a program to provide to certain patrons a discount on motor fuel sold at exchange stores, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 26, 2026

Mr. HAMADEH of Arizona (for himself, Mr. PANETTA, Mr. BACON, and Mr. DAVIS of North Carolina) introduced the following bill; which was referred to the Committee on Armed Services

A BILL

To authorize the Secretary of Defense to carry out a program to provide to certain patrons a discount on motor fuel sold at exchange stores, and for other purposes.

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. SHORT TITLE.**

4 This Act may be cited as the “Military and Veterans
5 Fuel Discount Act of 2026”.

1 **SEC. 2. PROGRAM TO PROVIDE TO CERTAIN PATRONS A**
2 **DISCOUNT ON MOTOR FUEL SOLD AT EX-**
3 **CHANGE STORES.**

4 (a) IN GENERAL.—The Secretary of Defense may, if
5 there is a tax described in subsection (b) applicable to
6 motor fuel, carry out a program to provide to eligible pa-
7 trons a discount on such motor fuel—

8 (1) sold at an exchange store; and

9 (2) dispensed directly into a vehicle owned by
10 an eligible patron.

11 (b) AMOUNT OF DISCOUNT.—

12 (1) BASE DISCOUNT.—A discount provided
13 under subsection (a) shall be an amount not less
14 than—

15 (A) the rate of tax applicable to gasoline
16 under section 4081 of the Internal Revenue
17 Code of 1986 (26 U.S.C. 4081), except that
18 such discount may not be less than 18.4 cents
19 per gallon; and

20 (B) the rate of tax applicable to diesel fuel
21 under such section 4081, except that such dis-
22 count may not be less than 24.4 cents per gal-
23 lon.

24 (2) AUTHORIZATION OF SUPPLEMENTAL DIS-
25 COUNT.—The Secretary may, if there is a State or
26 local tax applicable to such motor fuel, provide an

1 additional discount to an eligible patron, with re-
2 spect to each gallon of motor fuel sold at an ex-
3 change store, of such amount as the Secretary deter-
4 mines appropriate.

5 (c) AUTOMATIC APPLICATION.—The Secretary shall,
6 to the maximum extent practicable, ensure that a discount
7 provided under this section is applied upon the sale of
8 motor fuel at an exchange store to an eligible patron.

9 (d) REGULATIONS.—The Secretary shall update any
10 appropriate regulations to prevent—

11 (1) fraud or abuse of a program carried out
12 under this section; and

13 (2) the resale or commercial use of motor fuel
14 purchased at a discount under this section.

15 (e) TERMINATION.—The authority of the Secretary
16 to provide a discount under this section shall terminate
17 on September 30, 2029.

18 (f) REPORT.—Not later than 180 days after the date
19 on which the Secretary carries out a program under this
20 section, and annually thereafter until the termination
21 under subsection (e), the Secretary shall submit to the
22 Committees on Armed Services of the House of Represent-
23 atives and the Senate a report on such a program, includ-
24 ing—

1 (1) the number of exchange stores,
2 disaggregated by exchange system, that sold motor
3 fuel subject to a discount under subsection (b)(1);

4 (2) the total gallons of such motor fuel sold an-
5 nually by—

6 (A) each exchange store;

7 (B) all exchange stores; and

8 (C) all exchange stores, disaggregated by
9 exchange system;

10 (3) the total annual cost of the discount under
11 subsection (b)(1)(A);

12 (4) the total annual cost of any additional dis-
13 count under subsection (b)(1)(B);

14 (5) the average amount of motor fuel sold an-
15 nually by each exchange store before the date of the
16 enactment of this Act;

17 (6) any identified fraud, abuse, or issues with
18 implementation with respect to such program; and

19 (7) any recommendations with respect to con-
20 tinuing or modifying such program.

21 (g) COORDINATION.—Nothing in this section shall be
22 construed to prohibit the Secretary from coordinating with
23 the heads of other Federal departments or agencies to en-
24 courage the adoption of similar policies with respect to dis-
25 counts on motor fuel—

- 1 (1) for members of the uniformed services; or
2 (2) other persons served by exchange systems
3 outside the Department of Defense.

4 (h) ELIGIBLE PATRON DEFINED.—The term “eligi-
5 ble patron” means a person who is authorized under Fed-
6 eral law and applicable regulations to purchase motor fuel
7 from a fuel station operated by an exchange store.

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