

115TH CONGRESS
2D SESSION

S. 2368

To amend the Internal Revenue Code of 1986 to provide for carbon dioxide and other greenhouse gas emission fees, reduce the rate of the corporate income tax, provide tax credits to workers, deliver additional benefits to retired and disabled Americans, and for other purposes.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 5, 2018

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

A BILL

To amend the Internal Revenue Code of 1986 to provide for carbon dioxide and other greenhouse gas emission fees, reduce the rate of the corporate income tax, provide tax credits to workers, deliver additional benefits to retired and disabled Americans, 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 “American Opportunity
5 Carbon Fee Act of 2018”.

1 **TITLE I—CARBON DIOXIDE AND**
 2 **OTHER GREENHOUSE GAS**
 3 **EMISSION FEES**

4 **SEC. 101. CARBON DIOXIDE AND OTHER GREENHOUSE GAS**
 5 **EMISSION FEES.**

6 (a) IN GENERAL.—Chapter 38 of the Internal Rev-
 7 enue Code of 1986 is amended by adding at the end there-
 8 of the following new subchapter:

9 **“Subchapter E—Carbon Dioxide and Other**
 10 **Greenhouse Gas Emission Fees**

“Sec. 4691. Fee for carbon dioxide emissions.

“Sec. 4692. Fee on fluorinated greenhouse gases.

“Sec. 4693. Fee for other greenhouse gas emissions.

“Sec. 4694. Associated emissions.

“Sec. 4695. Border adjustments for energy-intensive manufactured goods.

“Sec. 4696. Definitions and other rules.

11 **“SEC. 4691. FEE FOR CARBON DIOXIDE EMISSIONS.**

12 **“(a) IN GENERAL.—**

13 **“(1) FOSSIL FUEL PRODUCTS PRODUCING CAR-**
 14 **BON EMISSIONS.—**

15 **“(A) IN GENERAL.—**There is hereby im-
 16 posed a fee in an amount equal to the applica-
 17 ble amount at the rate specified in subpara-
 18 graph (B) on—

19 **“(i) coal—**

20 **“(I) removed from any mine in**
 21 **the United States, or**

1 “(II) entered into the United
2 States for consumption, use, or
3 warehousing,

4 “(ii) petroleum products—

5 “(I) removed from any refinery,

6 “(II) removed from any terminal,

7 or

8 “(III) entered into the United
9 States for consumption, use, or
10 warehousing, and

11 “(iii) natural gas—

12 “(I) entered into any processor,

13 or

14 “(II) entered into the United
15 States for consumption, use, or
16 warehousing.

17 “(B) RATE.—The rate specified in this
18 subparagraph with respect to any product de-
19 scribed in subparagraph (A) is an amount equal
20 to the applicable amount per ton of carbon di-
21 oxide that would be emitted through the com-
22 bustion of such product (as determined by the
23 Secretary, in consultation with the Secretary of
24 Energy and the Administrator of the Environ-
25 mental Protection Agency).

1 “(2) EMISSIONS ATTRIBUTABLE TO OTHER
2 SUBSTANCES.—There is hereby imposed a fee in an
3 amount equal to the applicable amount per ton of
4 carbon dioxide emitted—

5 “(A) from any facility which—

6 “(i) is required to report emissions, or
7 to which emissions are attributed, under
8 subpart A of part 98 of title 40, Code of
9 Federal Regulations, as in effect on the
10 date of the enactment of the American Op-
11 portunity Carbon Fee Act of 2018, and

12 “(ii) emitted not less than 25,000
13 tons of carbon dioxide emissions during the
14 previous calendar year, and

15 “(B) by reason of the combustion or proc-
16 essing of any product other than coal, petro-
17 leum products, and natural gas.

18 “(b) APPLICABLE AMOUNT.—

19 “(1) IN GENERAL.—For purposes of this part,
20 the applicable amount is—

21 “(A) for calendar year 2019, \$50,

22 “(B) for any calendar year following a year
23 which is not a national emissions target attain-
24 ment year, the sum of—

1 “(i) the product of the amount in ef-
 2 fect under this subparagraph for the pre-
 3 ceding calendar year and 102 percent, and

4 “(ii) the inflation adjustment amount
 5 determined under paragraph (2), and

6 “(C) for any calendar year following a year
 7 which is a national emissions target attainment
 8 year, the sum of—

9 “(i) the amount in effect under this
 10 subparagraph for the preceding calendar
 11 year, and

12 “(ii) the inflation adjustment amount
 13 determined under paragraph (2).

14 “(2) INFLATION ADJUSTMENT AMOUNT.—

15 “(A) IN GENERAL.—The inflation adjust-
 16 ment amount for any calendar year shall be an
 17 amount (not less than zero) equal to the prod-
 18 uct of—

19 “(i) the amount determined under
 20 paragraph (1)(B)(i) or (1)(C)(i), as appli-
 21 cable, for such year, and

22 “(ii) the percentage by which the CPI
 23 for the preceding calendar year exceeds the
 24 CPI for the second preceding calendar
 25 year.

1 “(B) CPI.—Rules similar to the rules of
2 paragraphs (4) and (5) of section 1(f) shall
3 apply for purposes of this paragraph.

4 “(3) ROUNDING.—The applicable amount under
5 this subsection shall be rounded up to the next whole
6 dollar amount.

7 “(4) NATIONAL EMISSIONS TARGET ATTAIN-
8 MENT YEAR.—For purposes of paragraph (1), a cal-
9 endar year is a national emissions target attainment
10 year if the level of greenhouse gas emissions in the
11 United States for the calendar year does not exceed
12 20 percent of the level of greenhouse gas emissions
13 in the United States for calendar year 2005 as de-
14 termined by the Secretary in consultation with the
15 Administrator of the Environmental Protection
16 Agency.

17 “(c) REFUNDS FOR CAPTURING CARBON DIOXIDE
18 AND PRODUCTION OF CERTAIN GOODS.—

19 “(1) CARBON DIOXIDE CAPTURE, UTILIZATION,
20 AND STORAGE.—

21 “(A) IN GENERAL.—In the case of a per-
22 son who—

23 “(i) uses any coal, petroleum product,
24 or natural gas for which a fee has been im-
25 posed under subsection (a)(1) in a manner

1 which results in the emission of qualified
2 carbon dioxide,

3 “(ii) captures the resulting emitted
4 qualified carbon dioxide at a qualified facil-
5 ity, and

6 “(iii)(I) disposes of such qualified car-
7 bon dioxide in secure storage, or

8 “(II) utilizes such qualified carbon di-
9 oxide in a manner provided in subpara-
10 graph (D),

11 there shall be allowed a refund, in the same
12 manner as if it were an overpayment of the fee
13 imposed by such subsection, to such person in
14 the amount determined under subparagraph
15 (B).

16 “(B) AMOUNT OF REFUND.—The amount
17 of the refund under this subparagraph is an
18 amount equal to the product of—

19 “(i) the applicable amount under sub-
20 section (b) for the calendar year in which
21 such qualified carbon dioxide was captured
22 and disposed or utilized, and

23 “(ii) the adjusted tons of qualified
24 carbon dioxide captured and disposed or
25 utilized.

1 “(C) ADJUSTED TOTAL TONS.—For pur-
2 poses of subparagraph (B), the adjusted tons of
3 qualified carbon dioxide captured and disposed
4 or utilized shall be the total tons of qualified
5 carbon dioxide captured and disposed or utilized
6 reduced by the amount of any anticipated leak-
7 age of carbon dioxide into the atmosphere due
8 to imperfect storage technology or otherwise, as
9 determined by the Secretary in consultation
10 with the Administrator of the Environmental
11 Protection Agency.

12 “(D) REQUIREMENTS.—

13 “(i) IN GENERAL.—Any refund under
14 subparagraph (A) shall apply only with re-
15 spect to qualified carbon dioxide that has
16 been captured and disposed or utilized
17 within the United States.

18 “(ii) DISPOSAL AND SECURE STOR-
19 AGE.—

20 “(I) SECURE STORAGE.—The
21 Secretary, in consultation with the
22 Administrator of the Environmental
23 Protection Agency and the Secretary
24 of Energy, shall establish regulations
25 similar to the regulations under sec-

tion 45Q(d)(2) for determining adequate security measures for the secure storage of qualified carbon dioxide for purposes of subparagraph (A)(iii)(I) such that the carbon dioxide does not escape into the atmosphere. Such regulations shall ensure the stored carbon dioxide may not be sold, transferred, or exported for any purpose that results in the emission of carbon dioxide.

“(II) RECAPTURE.—The Secretary shall, by regulations, provide for recapturing the benefit of any refund made under subparagraph (A) with respect to any qualified carbon dioxide which is disposed in secure storage and ceases to be stored in a manner consistent with the requirements of this section.

“(iii) UTILIZATION.—The Secretary, in consultation with the Administrator of the Environmental Protection Agency, shall establish regulations providing for the appropriate methods and manners for the

utilization of qualified carbon dioxide under subparagraph (A)(iii)(II), including the utilization of captured carbon dioxide for enhanced oil or gas recovery and the production of substances such as plastics, biofuels, algae, and chemicals. Such regulations shall provide for the minimization of the escape or further emission of the qualified carbon dioxide into the atmosphere.

“(E) QUALIFIED CARBON DIOXIDE; QUALIFIED FACILITY.—For purposes of this paragraph—

“(i) QUALIFIED CARBON DIOXIDE.—The term ‘qualified carbon dioxide’ has the same meaning given that term under section 45Q(b).

“(ii) QUALIFIED FACILITY.—The term ‘qualified facility’ has the same meaning given that term under section 45Q(c), determined without regard to paragraph (3) thereof.

“(2) MANUFACTURE OF CERTAIN GOODS.—In the case of a person who uses any coal, petroleum product, or natural gas for which a fee has been imposed under subsection (a)(1) as an input for a

1 manufactured good that encapsulates carbon dioxide
2 in a manner such that it does not result in the direct
3 emission of carbon dioxide in the manufacturing or
4 subsequent use of such good, a refund shall be al-
5 lowed to such person in the same manner as if it
6 were an overpayment of the fee imposed by such sec-
7 tion in an amount that is equal to the product of—

8 “(A) an amount equal to the applicable
9 amount under subsection (b) for the calendar
10 year in which such product was used, and

11 “(B) the total tons of carbon dioxide that
12 would have otherwise been emitted through the
13 combustion of such product.

14 “(3) EXPORTS.—In the case of a person who
15 exports any coal, petroleum product, or natural gas
16 from the United States for which a fee has been im-
17 posed under subsection (a)(1), a refund shall be al-
18 lowed to such person in the same manner as if it
19 were an overpayment of the fee imposed by such sec-
20 tion in an amount that is equal to the fee previously
21 imposed under such subsection with respect to such
22 product (determined without regard to any increase
23 under section 4694).

1 **“SEC. 4692. FEE ON FLUORINATED GREENHOUSE GASES.**

2 “(a) IN GENERAL.—There is hereby imposed a fee
3 in an amount determined under subsection (b) on
4 fluorinated greenhouse gases—

5 “(1) produced at a fluorinated greenhouse gas
6 production facility,

7 “(2) imported into the United States by a
8 fluorinated greenhouse gas importer, or

9 “(3) emitted by an industrial fluorinated green-
10 house gas facility.

11 “(b) AMOUNT OF FEE.—The amount of fee imposed
12 by subsection (a) shall be equal to the applicable percent-
13 age (as defined in subsection (c)(5)) of the applicable
14 amount determined under section 4691(b) per ton of car-
15 bon dioxide equivalent produced or imported.

16 “(c) DEFINITIONS.—For purposes of this section—

17 “(1) FLUORINATED GREENHOUSE GASES.—The
18 term ‘fluorinated greenhouse gases’ means sulfur
19 hexafluoride (SF₆), nitrogen trifluoride (NF₃), any
20 hydrofluorocarbon, any perfluorocarbon, any fully
21 fluorinated linear, branched or cyclic alkane, ether,
22 tertiary amine or aminoether, any
23 perfluoropolyether, any hydrofluoropolyether, and
24 any other fluorocarbon except for substances with
25 vapor pressures of less than 1 mm of Hg absolute
26 at 25 degrees Celsius.

1 “(2) FLUORINATED GREENHOUSE GAS PRODUC-
 2 TION FACILITY.—The term ‘fluorinated greenhouse
 3 gas production facility’ means any facility which is
 4 included under the industrial gas supplier source
 5 category under subpart OO of part 98 of title 40,
 6 Code of Federal Regulations, as in effect on the date
 7 of the enactment of the American Opportunity Car-
 8 bon Fee Act of 2018.

9 “(3) FLUORINATED GREENHOUSE GAS IM-
 10 PORTER.—The term ‘fluorinated greenhouse gas im-
 11 porter’ means any importer who is included under—

12 “(A) the industrial gas supplier source cat-
 13 egory under subpart OO of part 98 of title 40,
 14 Code of Regulations, as in effect on the date of
 15 the enactment of the American Opportunity
 16 Carbon Fee Act of 2018, or

17 “(B) the source category under subpart
 18 QQ of such part (as so in effect).

19 “(4) INDUSTRIAL FLUORINATED GREENHOUSE
 20 GAS FACILITY.—The term ‘industrial greenhouse gas
 21 facility’ means any facility which—

22 “(A) is included under—

23 “(i) the aluminum production source
 24 category under subpart F of part 98 of
 25 title 40, Code of Regulations, as in effect

1 on the date of the enactment of the Amer-
2 ican Opportunity Carbon Fee Act of 2018,
3 “(ii) the HCFC–22 production and
4 HFC–23 destruction source category under
5 subpart O of such part (as so in effect), or
6 “(iii) the fluorinated gas production
7 source category under subpart L of such
8 part (as so in effect), and
9 “(B) emitted during the previous calendar
10 year fluorinated greenhouse gases with a total
11 carbon dioxide equivalent of not less than
12 25,000 tons.
13 “(5) APPLICABLE PERCENTAGE.—The term
14 ‘applicable percentage’ means the percentage deter-
15 mined in accordance with the following table:

“In the case of any taxable year beginning in calendar year:	The applicable percentage is:
2019, 2020, or 2021	10 percent
2022	20 percent
2023	30 percent
2024	40 percent
2025	50 percent
2026	60 percent
2027	70 percent
2028	80 percent
2029	90 percent
2030 or thereafter	100 percent.

16 “(d) EXEMPTION FOR EXPORTS.—For purposes of
17 determining fluorinated greenhouse gases produced or im-
18 ported under subsection (a), there shall not be taken into

1 account any fluorinated greenhouse gases exported from
2 the United States in bulk or exported from the United
3 States in equipment pre-charged with fluorinated green-
4 house gases or containing fluorinated greenhouse gases in
5 closed cell foams.

6 “(e) REFUND FOR CONSUMPTIVE USES AND DE-
7 STRUCTION.—In the case of a person who uses any
8 fluorinated greenhouse gas for which a fee has been im-
9 posed under paragraph (1) or (2) of subsection (a) as an
10 input for a manufactured good that transforms the
11 fluorinated greenhouse gas such that it cannot later be
12 emitted or otherwise destroys the gas (without emissions),
13 a refund shall be allowed to such person in the same man-
14 ner as if it were an overpayment of the fee imposed by
15 such subsection in an amount that is equal to the product
16 of—

17 “(1) an amount equal to the applicable percent-
18 age (as defined in subsection (c)(5)) of the applica-
19 ble amount under section 4691(b), for the calendar
20 year in which such fluorinated greenhouse gas was
21 used or destroyed, and

22 “(2) the excess (if any) of—

23 “(A) the total carbon dioxide equivalent of
24 the fluorinated greenhouse gases used or de-
25 stroyed, over

1 “(B) the total carbon dioxide equivalent of
 2 any fluorinated greenhouse gases created as the
 3 result of the transformation or destruction
 4 process.

5 **“SEC. 4693. FEE FOR OTHER GREENHOUSE GAS EMISSIONS.**

6 “(a) IN GENERAL.—There is hereby imposed a fee
 7 in an amount determined under subsection (b) on the
 8 emission (including attributed emissions) of any green-
 9 house gas (other than carbon dioxide or fluorinated green-
 10 house gases) from any greenhouse gas emissions source.

11 “(b) AMOUNT OF FEE.—The amount of fee imposed
 12 by subsection (a) shall be equal to the applicable amount
 13 determined under section 4691(b) per ton of carbon diox-
 14 ide equivalent emitted by the greenhouse gas emissions
 15 source.

16 “(c) GREENHOUSE GAS EMISSIONS SOURCE.—The
 17 term ‘greenhouse gas emissions source’ means any facility
 18 which—

19 “(1) is required to report emissions (or which
 20 would be required to report emissions notwith-
 21 standing any other provision of law prohibiting the
 22 implementation of or use of funds for such require-
 23 ments), or to which emissions are attributed, under
 24 part 98 of title 40, Code of Federal Regulations, as

1 in effect on the date of the enactment of the Amer-
2 ican Opportunity Carbon Fee Act of 2018, and

3 “(2) emitted during the previous calendar year
4 greenhouse gases (not including carbon dioxide or
5 fluorinated greenhouse gases) at a rate equal to the
6 carbon dioxide equivalent of not less than 25,000
7 tons.

8 **“SEC. 4694. ASSOCIATED EMISSIONS.**

9 “(a) REPORTING PROGRAM.—

10 “(1) IN GENERAL.—Not later than January 1,
11 2021, the Secretary, in consultation with the Admin-
12 istrator of the Environmental Protection Agency, the
13 Secretary of the Interior, the Administrator of the
14 Energy Information Administration, and the Admin-
15 istrator of the Pipeline and Hazardous Materials
16 Safety Administration, shall establish and implement
17 a program to identify all major source categories of
18 associated emissions and collect data on associated
19 emissions from the coal, petroleum products, and
20 natural gas supply chains.

21 “(2) ANNUAL REPORT.—Not later than 12
22 months after the date that the Secretary implements
23 the program described in paragraph (1), and annu-
24 ally thereafter, the Secretary shall issue a report, to
25 be made available to the public and the appropriate

1 committees of Congress, on associated emissions, in-
2 cluding—

3 “(A) identification of all major source cat-
4 egories of associated emissions, and

5 “(B) the total amount, expressed in tons of
6 carbon dioxide equivalent, of—

7 “(i) methane and other greenhouse
8 gases emitted across the coal supply chain
9 within the United States during the pre-
10 ceding calendar year,

11 “(ii) methane and other greenhouse
12 gases emitted across the petroleum prod-
13 ucts supply chain within the United States
14 during the preceding calendar year, and

15 “(iii) methane and other greenhouse
16 gases emitted across the natural gas sup-
17 ply chain within the United States during
18 the preceding calendar year.

19 “(b) SUPPLEMENTARY FEE FOR ASSOCIATED EMIS-
20 SIONS.—

21 “(1) COAL.—In the case of any calendar year
22 beginning after 2021, the fee imposed under section
23 4691(a)(1) with respect to coal shall be increased by
24 the amount determined by the Secretary (in con-
25 sultation with the Administrator of the Environ-

1 mental Protection Agency) necessary to ensure that
2 the total fees collected under such section with re-
3 spect to coal are equal to the total amount of such
4 fees that would be collected on coal if the fee im-
5 posed under section 4691(a)(1) also applied to the
6 carbon-dioxide equivalent of greenhouse gas emis-
7 sions reported under subsection (a)(2)(B)(i).

8 “(2) PETROLEUM PRODUCTS.—In the case of
9 any calendar year beginning after 2021, the fee im-
10 posed under section 4691(a)(1) with respect to pe-
11 troleum products shall be increased by the amount
12 determined by the Secretary (in consultation with
13 the Administrator of the Environmental Protection
14 Agency) necessary to ensure that the total fees col-
15 lected under such section with respect to petroleum
16 products are equal to the total amount of such fees
17 that would be collected on petroleum products if the
18 fee imposed under section 4691(a)(1) also applied to
19 the carbon-dioxide equivalent of greenhouse gas
20 emissions reported under subsection (a)(2)(B)(ii).

21 “(3) NATURAL GAS.—In the case of any cal-
22 endar year beginning after 2021, the fee imposed
23 under section 4691(a)(1) with respect to natural gas
24 shall be increased by the amount determined by the
25 Secretary (in consultation with the Administrator of

1 the Environmental Protection Agency) necessary to
 2 ensure that the total fees collected under such sec-
 3 tion with respect to natural gas are equal to the
 4 total amount of such fees that would be collected on
 5 natural gas if the fee imposed under section
 6 4691(a)(1) also applied to the carbon-dioxide equiva-
 7 lent of greenhouse gas emissions reported under sub-
 8 section (a)(2)(B)(iii).

9 **“SEC. 4695. BORDER ADJUSTMENTS FOR ENERGY-INTEN-**
 10 **SIVE MANUFACTURED GOODS.**

11 “(a) PURPOSE.—The purpose of this section is to en-
 12 sure the environmental effectiveness of this subchapter.

13 “(b) EXPORTS.—

14 “(1) IN GENERAL.—In the case of any energy-
 15 intensive manufactured good which is exported from
 16 the United States, the Secretary shall pay to the
 17 person exporting such good a refund equal to the
 18 amount of the cost of such good attributable to any
 19 fees imposed under this subchapter on inputs used
 20 in the manufacturing of such energy-intensive manu-
 21 factured good (as determined under regulations es-
 22 tablished by the Secretary).

23 “(2) REDUCTION IN REFUND.—The amount of
 24 the refund under paragraph (1) shall be reduced by
 25 the amount, if any, of fees imposed on such goods

1 or comparable domestically produced energy-inten-
2 sive manufactured goods by the foreign nation or
3 governmental unit to which such good is exported.

4 “(c) IMPORTS.—

5 “(1) IMPOSITION OF EQUIVALENCY FEE.—In
6 the case of any energy-intensive manufactured good
7 imported into the United States, there is imposed an
8 equivalency fee on the person importing such good
9 in an amount equal to the cost of such good which
10 would be attributable to any fees imposed under this
11 subchapter on inputs used in the manufacturing of
12 such good if the inputs used in manufacturing such
13 good were subject to such fees (as determined under
14 regulations established by the Secretary).

15 “(2) REDUCTION IN FEE.—The amount of the
16 equivalency fee under paragraph (1) shall be reduced
17 by the amount, if any, of any fees imposed on such
18 energy-intensive manufactured goods by the foreign
19 nation or governmental units from which such good
20 was imported.

21 “(d) TREATMENT OF ALTERNATIVE POLICIES AS
22 FEES.—Under regulations established by the Secretary,
23 foreign policies that have substantially the same effect in
24 reducing emissions of greenhouse gases as fees shall be

1 treated as fees for purposes of subsections (b)(2) and
 2 (c)(2).

3 “(e) REGULATORY AUTHORITY.—

4 “(1) IN GENERAL.—The Secretary shall consult
 5 with the Administrator of the Environmental Protec-
 6 tion Agency and the Secretary of Energy in estab-
 7 lishing rules and regulations implementing the pur-
 8 poses of this section.

9 “(2) TREATIES.—The Secretary, in consulta-
 10 tion with the Secretary of State, may adjust the ap-
 11 plicable amounts of the refunds and equivalency fees
 12 under this section in a manner that is consistent
 13 with any obligations of the United States under an
 14 international agreement.

15 **“SEC. 4696. DEFINITIONS AND OTHER RULES.**

16 “(a) DEFINITIONS.—For purposes of this sub-
 17 chapter:

18 “(1) CARBON DIOXIDE EQUIVALENT.—The
 19 term ‘carbon dioxide equivalent’ means, with respect
 20 to a greenhouse gas, the quantity of such gas that
 21 has a global warming potential equivalent to 1 met-
 22 ric ton of carbon dioxide, as determined pursuant to
 23 table A–1 of subpart A of part 98 of title 40, Code
 24 of Federal Regulations, as in effect on the date of

1 the enactment of the American Opportunity Carbon
2 Fee Act of 2018.

3 “(2) GREENHOUSE GAS.—The term ‘greenhouse
4 gas’ has the meaning given such term under section
5 211(o)(1)(G) of the Clean Air Act, as in effect on
6 the date of the enactment of the American Oppor-
7 tunity Carbon Fee Act of 2018.

8 “(3) COAL.—The term ‘coal’ has the same
9 meaning given such term under section 48A(c)(4).

10 “(4) PETROLEUM PRODUCT.—The term ‘petro-
11 leum product’ has the same meaning given such
12 product under section 4612(a)(3).

13 “(5) ASSOCIATED EMISSIONS.—The term ‘asso-
14 ciated emissions’ means greenhouse gas emissions
15 attributable to venting, flaring, and leakage across
16 the supply chain.

17 “(6) SUPPLY CHAIN.—The term ‘supply chain’
18 means extraction and processing of coal and natural
19 gas, extraction and refining of petroleum products,
20 and the transmission, transport, storage, distribu-
21 tion, import, export, and other activities related to
22 supplying coal, petroleum products, and natural gas
23 to a consumer, not otherwise covered elsewhere in
24 this subchapter as determined by the Administrator
25 of the Environmental Protection Agency.

1 “(7) ENERGY-INTENSIVE MANUFACTURED
2 GOOD.—

3 “(A) IN GENERAL.—The term ‘energy-in-
4 tensive manufactured good’ means any manu-
5 factured good (other than any petroleum prod-
6 uct or fossil fuel) for which not less than 5 per-
7 cent of the cost of which is attributable to en-
8 ergy costs, as determined by the Secretary.

9 “(B) LIST OF ENERGY-INTENSIVE MANU-
10 FACTURED GOODS.—

11 “(i) INITIAL LIST.—Not later than
12 180 days after the date of the enactment
13 of this Act, the Secretary shall publish a
14 list of goods which qualify as energy-inten-
15 sive manufactured goods.

16 “(ii) UPDATES.—Not less frequently
17 than annually, the Secretary shall update
18 the list published under this subparagraph.

19 “(8) TON.—

20 “(A) IN GENERAL.—The term ‘ton’ means
21 1,000 kilograms. In the case of any greenhouse
22 gas which is a gas, the term ‘ton’ means the
23 amount of such gas in cubic meters which is the
24 equivalent of 1,000 kilograms on a molecular
25 weight basis.

1 “(B) FRACTIONAL PART OF TON.—In the
 2 case of a fraction of a ton, any fee imposed by
 3 this subchapter on such fraction shall be the
 4 same fraction of the amount of such fee im-
 5 posed on a whole ton.

6 “(9) UNITED STATES.—The term ‘United
 7 States’ has the meaning given such term by section
 8 4612(a)(4).

9 “(b) OTHER RULES.—

10 “(1) ASSESSMENT AND COLLECTION.—Payment
 11 of the fee imposed by sections 4691, 4692, and 4693
 12 shall be assessed and collected in the same manner
 13 as taxes under this subtitle.

14 “(2) REGULATIONS.—The Secretary shall pre-
 15 scribe such regulations as may be necessary to carry
 16 out the provisions of this subchapter.”.

17 (b) CLERICAL AMENDMENT.—The table of sub-
 18 chapters for chapter 38 of the Internal Revenue Code of
 19 1986 is amended by adding at the end the following new
 20 item:

“SUBCHAPTER E—CARBON DIOXIDE AND OTHER GREENHOUSE GAS EMISSION
 FEES”.

21 (c) EFFECTIVE DATE.—The amendments made by
 22 this section shall apply to taxable years beginning after
 23 December 31, 2018.

1 **TITLE II—RETURNING FEE REV-**
 2 **ENUE TO THE AMERICAN**
 3 **PEOPLE**

4 **SEC. 201. ESTABLISHMENT OF REFUNDABLE CREDIT FOR**
 5 **WORKERS.**

6 (a) IN GENERAL.—Subpart C of part IV of sub-
 7 chapter A of chapter 1 of the Internal Revenue Code of
 8 1986 is amended by inserting after section 36 the fol-
 9 lowing new section:

10 **“SEC. 36A. CARBON FEE OFFSET CREDIT.**

11 “(a) IN GENERAL.—In the case of an eligible indi-
 12 vidual, there shall be allowed as a credit against the tax
 13 imposed by this subtitle for the taxable year an amount
 14 equal to the lesser of—

15 “(1) 6.2 percent of the earned income of the
 16 taxpayer, or

17 “(2) \$800 (twice such amount in the case of a
 18 joint return).

19 “(b) ELIGIBLE INDIVIDUAL.—For purposes of this
 20 section, the term ‘eligible individual’ means any individual
 21 other than—

22 “(1) any nonresident alien individual,

23 “(2) any individual with respect to whom a de-
 24 duction under section 151 is allowable to another
 25 taxpayer for a taxable year beginning in the cal-

1 endar year in which the individual’s taxable year be-
2 gins, and

3 “(3) any individual who, for the month of De-
4 cember of the taxable year, was entitled to or eligible
5 for a benefit payment described in paragraph (1) or
6 (2) of section 202(b) of the American Opportunity
7 Carbon Fee Act of 2018.

8 “(c) EARNED INCOME.—

9 “(1) IN GENERAL.—For purposes of this sec-
10 tion, the term ‘earned income’ has the meaning
11 given such term by section 32(c)(2), except that
12 such term shall not include net earnings from self-
13 employment which are not taken into account in
14 computing taxable income.

15 “(2) CERTAIN COMBAT ZONE COMPENSATION.—
16 For purposes of paragraph (1), any amount ex-
17 cluded from gross income by reason of section 112
18 shall be treated as earned income which is taken
19 into account in computing taxable income for the
20 taxable year.

21 “(d) INFLATION ADJUSTMENT.—

22 “(1) IN GENERAL.—In the case of a taxable
23 year beginning after 2019, the \$800 amount in sub-
24 section (a)(2) shall be increased by an amount equal
25 to—

1 “(A) such dollar amount, multiplied by

2 “(B) the percentage (if any) by which—

3 “(i) the CPI for the preceding cal-
4 endar year, exceeds

5 “(ii) the CPI for calendar year 2018.

6 “(2) CPI.—Rules similar to the rules of para-
7 graphs (4) and (5) of section 1(f) shall apply for
8 purposes of this subsection.

9 “(3) ROUNDING.—If any dollar amount, after
10 being increased under paragraph (1), is not a mul-
11 tiple of \$10, such dollar amount shall be rounded to
12 the next lowest multiple of \$10.”.

13 (b) REFUNDS DISREGARDED IN THE ADMINISTRA-
14 TION OF FEDERAL PROGRAMS AND FEDERALLY AS-
15 SISTED PROGRAMS.—Any credit or refund allowed or
16 made to any individual by reason of section 36A of the
17 Internal Revenue Code of 1986 (as added by this section)
18 shall not be taken into account as income and shall not
19 be taken into account as resources for purposes of deter-
20 mining the eligibility of such individual or any other indi-
21 vidual for benefits or assistance, or the amount or extent
22 of benefits or assistance, under any Federal program or
23 under any State or local program financed in whole or in
24 part with Federal funds.

25 (c) CONFORMING AMENDMENTS.—

1 (1) Section 6211(b)(4)(A) of the Internal Rev-
 2 enue Code of 1986 is amended by inserting “36A,”
 3 after “36,”.

4 (2) The table of sections for subpart C of part
 5 IV of subchapter A of chapter 1 of such Code is
 6 amended by inserting after the item relating to sec-
 7 tion 36 the following new item:

“Sec. 36A. Carbon fee offset credit.”.

8 (d) EFFECTIVE DATE.—The amendments made by
 9 this section shall apply to taxable years beginning after
 10 December 31, 2018.

11 **SEC. 202. ESTABLISHMENT OF PAYMENTS TO SOCIAL SECU-**
 12 **RITY BENEFICIARIES AND OTHER RETIRED**
 13 **AND DISABLED AMERICANS.**

14 (a) AUTHORITY TO MAKE PAYMENTS.—The Sec-
 15 retary of the Treasury or the Secretary of the Treasury’s
 16 delegate (referred to in this section as the “Secretary”)
 17 shall, during the period between April 1 and May 15 of
 18 calendar year 2020 and each year thereafter, disburse a
 19 payment to each eligible beneficiary in an amount equal
 20 to the amount in effect for taxable years beginning in the
 21 preceding calendar year under section 36A(a)(2) of the In-
 22 ternal Revenue Code of 1986.

23 (b) ELIGIBLE BENEFICIARY.—For purposes of this
 24 section, the term “eligible beneficiary” means an indi-

1 vidual who, for the month of December of the preceding
2 year, was—

3 (1) entitled to any benefit payment described in
4 subparagraph (B) of section 2201(a)(1) of the
5 American Recovery and Reinvestment Act of 2009;
6 or

7 (2) eligible for a benefit payment described in
8 subparagraph (C) of such section.

9 (c) RESIDENCY REQUIREMENT.—A payment may be
10 made under this section only to an eligible beneficiary who
11 resides in any State (as defined in section 204(f)), as de-
12 termined based on the current address of record for such
13 beneficiary under the applicable program for payment of
14 benefits described in subsection (b).

15 (d) NO DOUBLE PAYMENTS.—An eligible beneficiary
16 may not receive more than 1 payment per calendar year
17 under this section, regardless of whether such beneficiary
18 is entitled to or eligible for more than 1 benefit payment
19 described in paragraph (1) or (2) of subsection (b).

20 (e) IDENTIFICATION OF RECIPIENTS.—The Commis-
21 sioner of Social Security, the Railroad Retirement Board,
22 and the Secretary of Veterans Affairs shall certify the eli-
23 gible beneficiaries entitled to receive payments under this
24 section and provide the Secretary with any information
25 necessary to disburse such payments.

1 (f) APPLICATION OF ADDITIONAL RULES.—Rules
 2 similar to the rules of subsections (a)(4), (c), and (d) of
 3 section 2201 of the American Recovery and Reinvestment
 4 Act of 2009 shall apply for purposes of payments under
 5 this section.

6 **SEC. 203. STATE-BASED COST MITIGATION GRANT PRO-**
 7 **GRAM.**

8 (a) IN GENERAL.—The Secretary of the Treasury
 9 shall provide to each State which meets the requirements
 10 of subsection (d) a cost mitigation grant for each calendar
 11 year after 2018 in an amount determined under sub-
 12 section (c).

13 (b) USE OF FUNDS.—A State receiving a cost mitiga-
 14 tion grant under this section may use the grant only—

15 (1) to assist low-income households in reducing
 16 energy expenses and meeting cost increases attrib-
 17 utable to the fees imposed under subchapter E of
 18 chapter 38 of the Internal Revenue Code of 1986
 19 (as added by this Act);

20 (2) to assist rural households in reducing en-
 21 ergy expenses and meeting such increases attrib-
 22 utable to such fees; and

23 (3) to provide job training and worker transi-
 24 tion assistance, with priority given to workers and
 25 former workers in fossil-fuel related industries.

1 (c) AMOUNT OF GRANT.—

2 (1) IN GENERAL.—The amount of the cost miti-
3 gation grant made to any State for any calendar
4 year shall be equal to the product of—

5 (A) the annual grant limitation determined
6 under paragraph (3) for such calendar year;
7 and

8 (B) the State allocation percentage for the
9 State (determined under paragraph (2)).

10 (2) STATE ALLOCATION PERCENTAGE.—The
11 “State allocation percentage” for a State is the
12 amount (expressed as a percentage) equal to the
13 quotient of—

14 (A) the population of such State (as re-
15 ported in the most recent decennial census);
16 and

17 (B) the population of all States (as re-
18 ported in the most recent decennial census).

19 (3) ANNUAL APPROPRIATION FOR GRANTS.—

20 (A) IN GENERAL.—The annual grant limi-
21 tation is \$10,000,000,000.

22 (B) INFLATION ADJUSTMENT.—

23 (i) IN GENERAL.—In the case of any
24 calendar year after 2019, the
25 \$10,000,000,000 amount in subparagraph

1 (A) shall be increased by an amount equal
 2 to—

3 (I) such dollar amount; multi-
 4 plied by

5 (II) the percentage (if any) by
 6 which—

7 (aa) the CPI for the pre-
 8 ceding calendar year; exceeds

9 (bb) the CPI for calendar
 10 year 2018.

11 (ii) CPI.—Rules similar to the rules
 12 of paragraphs (4) and (5) of section 1(f)
 13 of the Internal Revenue Code of 1986 shall
 14 apply for purposes of this subparagraph.

15 (4) REDISTRIBUTION.—In any case in which
 16 one or more States do not meet the requirements de-
 17 scribed in subsection (d) for a calendar year, an
 18 amount equal to the State allocation percentage for
 19 such State or States shall be distributed to each
 20 State which did meet such conditions in an amount
 21 equal to the product of—

22 (A) such amount; and

23 (B) the State allocation percentage of such
 24 State (determined by not taking into account
 25 under paragraph (2)(B) the population of any

1 State which did not meet the requirements of
 2 subsection (d) for such calendar year).

3 (d) REQUIREMENTS FOR RECEIPT OF GRANT.—

4 (1) IN GENERAL.—A State is eligible to receive
 5 a cost mitigation grant for any calendar year if—

6 (A) the chief executive officer of the State
 7 certifies that the State will use such grant as
 8 needed to deliver benefits to all eligible low-in-
 9 come individuals through a household rebate
 10 program;

11 (B) the State has filed with the Secretary
 12 of the Treasury a State plan covering the cal-
 13 endar year which details the use of the funds
 14 received under the grant;

15 (C) the State agrees to comply with any
 16 audit requirements under subsection (d); and

17 (D) the State has complied with the re-
 18 quirements of this section for all preceding
 19 years or the State has remedied all prior non-
 20 compliance to the satisfaction of the Secretary
 21 of the Treasury.

22 (2) HOUSEHOLD REBATE PROGRAM.—For pur-
 23 poses of paragraph (1)(A)—

24 (A) IN GENERAL.—The term “household
 25 rebate program” means a program for deliv-

1 ering to monthly benefits in an aggregate an-
2 nual amount equal to the applicable amount to
3 all eligible low-income individuals through a
4 State-administered electronic benefit transfer
5 system.

6 (B) APPLICABLE AMOUNT.—The term
7 “applicable amount” means, with respect to any
8 eligible low-income individual for any calendar
9 year, an amount equal to the excess of—

10 (i) the amount in effect for taxable
11 years ending with or within the preceding
12 calendar year under section 36A(a)(2) of
13 the Internal Revenue Code of 1986; over

14 (ii) any amount allowed or claimed as
15 a credit by such individual under such sec-
16 tion for the taxable year ending with or
17 within the preceding calendar year.

18 (C) ELIGIBLE LOW-INCOME INDIVIDUAL.—
19 The term “eligible low-income individual”
20 means, with respect to any calendar year, any
21 individual who—

22 (i) has attained the age of 18 before
23 the end of the calendar year;

24 (ii) lives in a household that has a
25 gross income that does not exceed 150 per-

cent of the poverty line as defined by section 673(2) of the Community Services Block Grant Act;

(iii) participates in a federally funded State administered assistance program or otherwise applies for such benefits under such a program; and

(iv) for the month of December of the preceding calendar year, was not entitled to or eligible for a benefit payment described in section 202(b).

(D) COORDINATION RULES.—The Secretary of the Treasury shall coordinate with the States and other applicable Federal agencies to identify eligible low-income individuals.

(e) AUDITS.—The Secretary of the Treasury shall audit the State use of grants under this section to ensure such uses comply with the requirements of this section and with the uses identified by the State under subsection (d)(1)(B). The Secretary may withhold a grant under this section if the Secretary determines that a State has not complied with such requirements.

(f) STATE.—For purposes of this section, the term “State” includes the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Com-

1 monwealth of the Northern Mariana Islands, and the
 2 United States Virgin Islands.

3 (g) APPROPRIATIONS.—For any fiscal year, there is
 4 hereby appropriated an amount equal to the annual grant
 5 limitation determined under subsection (c)(3) for the cal-
 6 endar year in which such fiscal year begins.

7 **TITLE III—OTHER PROVISIONS**

8 **SEC. 301. PUBLIC DISCLOSURE OF REVENUES AND EX-** 9 **PENDITURES.**

10 (a) ESTABLISHMENT OF WEBSITE.—The Secretary
 11 of the Treasury, or the Secretary’s designee, shall estab-
 12 lish a website for purposes of making the disclosures de-
 13 scribed in subsection (b).

14 (b) DISCLOSURES.—The Secretary shall make pub-
 15 licly available, on an ongoing basis and as frequently as
 16 possible, the following information:

17 (1) The amount and sources of revenue attrib-
 18 utable to this Act and the amendments made by this
 19 Act.

20 (2) The amount of tax savings and benefits re-
 21 ceived as a result of title II of this Act.

22 **SEC. 302. SEVERABILITY.**

23 If any provision of this Act or amendment made by
 24 this Act, or the application of a provision or amendment
 25 to any person or circumstance, is held to be unconstitu-

1 tional, the remainder of this Act and amendments made
2 by this Act, and the application of the provisions and
3 amendment to any person or circumstance, shall not be
4 affected by the holding.

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