

117TH CONGRESS
2D SESSION

H. R. 7751

To amend the Internal Revenue Code of 1986 to provide for a gasoline tax holiday, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 12, 2022

Mr. NORCROSS introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Internal Revenue Code of 1986 to provide for a gasoline tax holiday, 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 “Government Oversight
5 of Unpatriotic Greed in Energy Act” or the “GOUGE
6 Act”.

7 **SEC. 2. GASOLINE TAX HOLIDAY.**

8 (a) IN GENERAL.—Subpart B of part III of sub-
9 chapter A of chapter 32 of the Internal Revenue Code of

1 1986 is amended by adding at the end the following new
2 section:

3 **“SEC. 4106. GASOLINE TAX HOLIDAY.**

4 “(a) IN GENERAL.—In the case of any gasoline other
5 than aviation gasoline (within the meaning of such term
6 as when used in section 4081) removed, entered, or sold
7 (as the case may be) during the gasoline tax holiday pe-
8 riod—

9 “(1) the rate of tax under section
10 4081(a)(2)(A)(i) shall be zero, and

11 “(2) the Leaking Underground Storage Tank
12 Trust Fund financing rate under section 4081(a)(2)
13 shall be zero with respect to such fuel.

14 “(b) GASOLINE TAX HOLIDAY PERIOD.—For pur-
15 poses of this section, the term ‘gasoline tax holiday period’
16 means the period—

17 “(1) beginning on the date of the enactment of
18 this section, and

19 “(2) ending on December 31, 2022.

20 “(c) TRUST FUNDS HELD HARMLESS.—Any appro-
21 priation or transfer under section 9503(b), 9503(e), or
22 9508(b) shall be made in the same manner (and in the
23 same amount) as if subsection (a) had never been en-
24 acted.”.

1 (b) CLERICAL AMENDMENT.—The table of sections
 2 for subpart B of part III of subchapter A of chapter 32
 3 of such Code is amended by adding at the end the fol-
 4 lowing new item:

“Sec. 4106. Gasoline tax holiday.”.

5 (c) EFFECTIVE DATE.—The amendments made by
 6 this section shall apply to gasoline removed, entered, or
 7 sold on or after the date of the enactment of this Act.

8 **SEC. 3. REIMBURSEMENT TO STATES FOR GAS TAX HOLI-**
 9 **DAY.**

10 (a) IN GENERAL.—In the case of the suspension of
 11 a gasoline tax by a State during the gasoline tax holiday
 12 period, the Secretary of the Treasury (or the Secretary’s
 13 delegate) shall pay to such State 100 percent of the
 14 amounts which would have been collected with respect to
 15 such tax during such period.

16 (b) GASOLINE TAX HOLIDAY PERIOD.—For purposes
 17 of this section, the term “gasoline tax holiday period”
 18 means the period—

- 19 (1) beginning on February 24, 2022, and
- 20 (2) ending on December 31, 2022.

21 **SEC. 4. WINDFALL PROFITS TAX.**

22 (a) IN GENERAL.—Subtitle E of the Internal Rev-
 23 enue Code of 1986 (relating to alcohol, tobacco, and cer-
 24 tain other excise taxes) is amended by adding at the end
 25 thereof the following new chapter:

1 **“CHAPTER 56—WINDFALL PROFITS ON**
 2 **CRUDE OIL**

“Sec. 5896. Imposition of tax.

“Sec. 5897. Windfall profit; etc.

“Sec. 5898. Special rules and definitions.

3 **“SEC. 5896. IMPOSITION OF TAX.**

4 “(a) IN GENERAL.—In addition to any other tax im-
 5 posed under this title, there is hereby imposed on any ap-
 6 plicable taxpayer an excise tax in an amount equal to 50
 7 percent of the windfall profit of such taxpayer for any tax-
 8 able year beginning in 2022.

9 “(b) APPLICABLE TAXPAYER.—For purposes of this
 10 chapter, the term ‘applicable taxpayer’ means, with re-
 11 spect to operations in the United States, any integrated
 12 oil company (as defined in section 291(b)(4)).

13 **“SEC. 5897. WINDFALL PROFIT; ETC.**

14 “(a) GENERAL RULE.—For purposes of this chapter,
 15 the term ‘windfall profit’ means the excess of the adjusted
 16 taxable income of the applicable taxpayer for the taxable
 17 year over the reasonably inflated average profit for such
 18 taxable year.

19 “(b) ADJUSTED TAXABLE INCOME.—For purposes of
 20 this chapter, with respect to any applicable taxpayer, the
 21 adjusted taxable income for any taxable year is equal to
 22 the taxable income for such taxable year (within the mean-
 23 ing of section 63 and determined without regard to this
 24 subsection)——

1 “(1) increased by any interest expense deduc-
2 tion, charitable contribution deduction, and any net
3 operating loss deduction carried forward from any
4 prior taxable year, and

5 “(2) reduced by any interest income, dividend
6 income, and net operating losses to the extent such
7 losses exceed taxable income for the taxable year.

8 In the case of any applicable taxpayer which is a foreign
9 corporation, the adjusted taxable income shall be deter-
10 mined with respect to such income which is effectively con-
11 nected with the conduct of a trade or business in the
12 United States.

13 “(c) REASONABLY INFLATED AVERAGE PROFIT.—
14 For purposes of this chapter, with respect to any applica-
15 ble taxpayer, the reasonably inflated average profit for any
16 taxable year is an amount equal to the average of the ad-
17 justed taxable income of such taxpayer for taxable years
18 beginning in 2019, 2020, and 2021, plus 10 percent of
19 such average.

20 **“SEC. 5898. SPECIAL RULES AND DEFINITIONS.**

21 “(a) WITHHOLDING AND DEPOSIT OF TAX.—The
22 Secretary shall provide such rules as are necessary for the
23 withholding and deposit of the tax imposed under section
24 5896.

1 “(b) RECORDS AND INFORMATION.—Each taxpayer
 2 liable for tax under section 5896 shall keep such records,
 3 make such returns, and furnish such information as the
 4 Secretary may by regulations prescribe.

5 “(c) RETURN OF WINDFALL PROFIT TAX.—The Sec-
 6 retary shall provide for the filing and the time of such
 7 filing of the return of the tax imposed under section 5896.

8 “(d) CRUDE OIL.—The term ‘crude oil’ includes
 9 crude oil condensates and natural gasoline.

10 “(e) BUSINESSES UNDER COMMON CONTROL.—For
 11 purposes of this chapter, all members of the same con-
 12 trolled group of corporations (within the meaning of sec-
 13 tion 267(f)) and all persons under common control (within
 14 the meaning of section 52(b) but determined by treating
 15 an interest of more than 50 percent as a controlling inter-
 16 est) shall be treated as 1 person.

17 “(f) REGULATIONS.—The Secretary shall prescribe
 18 such regulations as may be necessary or appropriate to
 19 carry out the purposes of this chapter.”.

20 (b) CLERICAL AMENDMENT.—The table of chapters
 21 for subtitle E of the Internal Revenue Code of 1986 is
 22 amended by adding at the end the following new item:

“CHAPTER 56. WINDFALL PROFITS ON CRUDE OIL.”.

1 **SEC. 5. GASOLINE WINDFALL PROFIT TRUST FUND.**

2 (a) IN GENERAL.—Subchapter A of chapter 98 of the
3 Internal Revenue Code of 1986 is amended by adding at
4 the end the following new section:

5 **“SEC. 9512. GASOLINE WINDFALL PROFIT TRUST FUND.**

6 “(a) ESTABLISHMENT AND FUNDING.—There is
7 hereby established in the Treasury of the United States
8 a trust fund to be referred to as the ‘Gasoline Windfall
9 Profit Trust Fund’, consisting of such amounts as may
10 be appropriated or credited to such trust fund as provided
11 for in this section and section 9602(b).

12 “(b) TRANSFERS TO THE GASOLINE WINDFALL
13 PROFIT TRUST FUND.—There are hereby appropriated to
14 the Gasoline Windfall Profit Trust Fund amounts equiva-
15 lent to the taxes received in the Treasury under section
16 5896.

17 “(c) EXPENDITURES FROM TRUST FUND.—Amounts
18 in the Gasoline Windfall Profit Trust Fund shall be avail-
19 able for making expenditures described in subsection (d).

20 “(d) DISTRIBUTION TO STATES.—

21 “(1) IN GENERAL.—From time to time, the
22 Secretary shall distribute to the States the amounts
23 available in the Gasoline Windfall Profit Trust
24 Fund.

25 “(2) USE OF FUNDS.—Each State which re-
26 ceives amounts pursuant to paragraph (1) shall di-

1 vide such amounts equally among all registered vehi-
 2 cle owners in the State and distribute such amounts
 3 to such vehicle owners as expeditiously as possible.

4 “(3) STATE.—For purposes of this subsection,
 5 the term ‘State’ includes the District of Columbia,
 6 any territory or possession of the United States, and
 7 any Indian Tribe.

8 “(e) REGULATIONS.—The Secretary shall prescribe
 9 such regulations as may be necessary or appropriate to
 10 carry out the purposes of this section, including regula-
 11 tions to ensure funds are divided among all registered ve-
 12 hicle owners in the United States as equally as prac-
 13 ticable.”.

14 (b) CLERICAL AMENDMENT.—The table of sections
 15 for subchapter A of chapter 98 of such Code is amended
 16 by adding at the end the following new item:

“Sec. 9512. Gasoline Windfall Profit Trust Fund.”.

17 **SEC. 6. FTC REGULATIONS, INVESTIGATION, AND EN-**
 18 **FORCEMENT REGARDING PRICE GOUGING.**

19 (a) REGULATIONS.—Not later than 30 days after the
 20 date of the enactment of this Act, the Commission shall
 21 issue regulations under section 553 of title 5, United
 22 States Code, that prohibit any person who sells or offers
 23 for sale crude oil, gasoline, or any other petroleum dis-
 24 tillate from engaging in price gouging with respect to the

1 price at which such person sells or offers for sale such
2 crude oil, gasoline, or other petroleum distillate.

3 (b) INVESTIGATION.—

4 (1) IN GENERAL.—Not later than 1 year after
5 the date on which the regulations issued under sub-
6 section (a) take effect, the Commission shall com-
7 plete an investigation to determine whether, during
8 the period beginning on January 1, 2022, and end-
9 ing on December 31, 2022, any oil company violated
10 such regulations (or, during the part of such period
11 before the date on which such regulations take ef-
12 fect, engaged in conduct that would have constituted
13 a violation of such regulations), particularly during
14 the part of such period leading up to and after the
15 Russian invasion of Ukraine on February 24, 2022.

16 (2) ENFORCEMENT REQUIRED.—If the Com-
17 mission determines in the investigation under para-
18 graph (1) that an oil company violated the regula-
19 tions issued under subsection (a), the Commission
20 shall take such enforcement action authorized by
21 subsection (c) against such oil company with respect
22 to such violation as the Commission considers appro-
23 priate.

24 (3) REPORT TO CONGRESS.—Not later than 60
25 days after the date on which the Commission com-

1 completes the investigation under paragraph (1), the
2 Commission shall submit to Congress a report on
3 the results of the investigation.

4 (c) ENFORCEMENT.—

5 (1) UNFAIR OR DECEPTIVE ACTS OR PRAC-
6 TICES.—A violation of a regulation issued under
7 subsection (a) shall be treated as a violation of a
8 regulation under section 18(a)(1)(B) of the Federal
9 Trade Commission Act (15 U.S.C. 57a(a)(1)(B)) re-
10 garding unfair or deceptive acts or practices.

11 (2) POWERS OF COMMISSION.—Except as pro-
12 vided in paragraph (3), the Commission shall en-
13 force the regulations issued under subsection (a) in
14 the same manner, by the same means, and with the
15 same jurisdiction, powers, and duties as though all
16 applicable terms and provisions of the Federal Trade
17 Commission Act (15 U.S.C. 41 et seq.) were incor-
18 porated into and made a part of this section, and
19 any person who violates such a regulation shall be
20 subject to the penalties and entitled to the privileges
21 and immunities provided in the Federal Trade Com-
22 mission Act.

23 (3) CIVIL PENALTIES.—

24 (A) IN GENERAL.—Notwithstanding the
25 penalties set forth under the Federal Trade

1 Commission Act, any person who violates a reg-
2 ulation issued under subsection (a) with actual
3 knowledge or knowledge fairly implied on the
4 basis of objective circumstances shall be subject
5 to a civil penalty of not more than 2 times the
6 amount of profits gained by such person
7 through such violation.

8 (B) METHOD.—The penalties provided by
9 subparagraph (A) shall be obtained in the same
10 manner as civil penalties obtained under section
11 5 of the Federal Trade Commission Act (15
12 U.S.C. 45).

13 (C) MULTIPLE OFFENSES; MITIGATING
14 FACTORS.—In assessing a penalty provided by
15 subparagraph (A)—

16 (i) each day of a continuing violation
17 shall be considered a separate violation;
18 and

19 (ii) the court shall take into consider-
20 ation, among other factors, the degree of
21 culpability, any history of prior such con-
22 duct, ability to pay, effect on ability to
23 continue to do business, and such other
24 matters as justice may require.

25 (d) DEFINITIONS.—In this section:

1 (1) COMMISSION.—The term “Commission”
2 means the Federal Trade Commission.

3 (2) CRUDE OIL.—The term “crude oil” has the
4 meaning given such term in subsection (d) of section
5 5898 of the Internal Revenue Code of 1986, as
6 added by this Act.

7 (3) OIL COMPANY.—The term “oil company”
8 means an applicable taxpayer (as defined in sub-
9 section (b) of section 5896 of the Internal Revenue
10 Code of 1986, as added by this Act).

11 (4) PRICE GOUGING.—The term “price
12 gouging” has the meaning given such term by the
13 Commission in the regulations issued under sub-
14 section (a).

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