

117TH CONGRESS
1ST SESSION

H. R. 3039

To amend the Internal Revenue Code of 1986 to eliminate certain fuel excise taxes and impose a tax on greenhouse gas emissions to provide revenue for maintaining and building American infrastructure, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 7, 2021

Mr. FITZPATRICK (for himself and Mr. CARBAJAL) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Energy and Commerce, Natural Resources, Education and Labor, Transportation and Infrastructure, Science, Space, and Technology, and Agriculture, 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 eliminate certain fuel excise taxes and impose a tax on greenhouse gas emissions to provide revenue for maintaining and building American infrastructure, 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, TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Modernizing America with Rebuilding to Kickstart the

1 Economy of the Twenty-first Century with a Historic In-
 2 frastructure-Centered Expansion Act” or the “MARKET
 3 CHOICE Act”.

4 (b) TABLE OF CONTENTS.—The table of contents for
 5 this Act is as follows:

Sec. 1. Short title, table of contents.
 Sec. 2. Findings.

TITLE I—GREENHOUSE GAS EMISSIONS

Sec. 101. Treatment of greenhouse gas emissions.

TITLE II—DISTRIBUTION OF REVENUES FROM TAXATION OF GREENHOUSE GAS EMISSIONS

Subtitle A—Rebuilding Infrastructure And Solutions For The Environment Trust Fund

Sec. 201. Establishment of the RISE Trust Fund.
 Sec. 202. Appropriations from the RISE Trust Fund.
 Sec. 203. State grants.

Subtitle B—Certain Manufacturers Excise Taxes

Sec. 211. Repeal of Federal motor vehicle and aviation fuel taxes.
 Sec. 212. Amendments to certain tax credits for carbon capture and storage.
 Sec. 213. Modifications of qualifying advanced coal project credit.

TITLE III—AMENDMENTS TO OTHER LAWS

Subtitle A—Amendments to Federal Environmental Statutes

Sec. 301. Amendments to the Clean Air Act.
 Sec. 302. Frequent and chronic flooding mitigation and adaptation infrastruc-
 ture projects.
 Sec. 303. No preemption of State law.

Subtitle B—Assistance To Displaced Workers In The Energy Sector

Sec. 321. Assistance to displaced workers in the energy sector.

TITLE IV—NATIONAL CLIMATE COMMISSION

Sec. 401. Establishment of Commission.
 Sec. 402. Duties of Commission.
 Sec. 403. Powers of Commission.
 Sec. 404. Funding for the activities of the Commission.
 Sec. 405. Staff of the Commission.

6 SEC. 2. FINDINGS.

7 Congress finds that—

1 (1) roads, bridges, airports, and urban trans-
2 portation systems are essential to the economic and
3 national security of the United States;

4 (2) there is a chronic shortfall in funding for
5 the maintenance of highways, bridges, and other
6 critical infrastructure;

7 (3) strategic investments in new infrastructure
8 will allow for economic growth and dynamism in the
9 21st century;

10 (4) there has been a marked increase in ex-
11 treme weather events and the negative impacts of a
12 changing climate are expected to worsen in every re-
13 gion of the United States;

14 (5) if left unaddressed, the consequences of a
15 changing climate have the potential to adversely im-
16 pact the health of all Americans, harm the economy,
17 and impose substantial costs on local, State, and
18 Federal budgets;

19 (6) efforts to reduce climate risk should protect
20 our Nation's economy, security, infrastructure, agri-
21 culture, water supply, public health, and public safe-
22 ty; and

23 (7) there is bipartisan support for pursuing ef-
24 forts to reduce greenhouse gas emissions through

1 economically viable, broadly supported private and
 2 public policies and solutions.

3 **TITLE I—GREENHOUSE GAS**
 4 **EMISSIONS**

5 **SEC. 101. TREATMENT OF GREENHOUSE GAS EMISSIONS.**

6 (a) IN GENERAL.—The Internal Revenue Code of
 7 1986 is amended by adding at the end the following:

8 **“Subtitle L—Greenhouse Gas**
 9 **Emissions**

10 **“PART 1—TAXATION OF GREENHOUSE GAS**
 11 **EMISSIONS**

“Sec. 9901. Imposition of tax on combusted fossil fuel greenhouse gas emis-
 sions.

“Sec. 9902. Imposition of tax on greenhouse gas emissions from certain indus-
 trial processes.

“Sec. 9903. Imposition of tax on greenhouse gas emissions from certain prod-
 uct uses.

“Sec. 9904. Calculation of taxable emissions.

“Sec. 9905. Credit for state payments.

“Sec. 9906. Penalties for nonpayment.

“Sec. 9907. Definitions.

12 **“SEC. 9901. IMPOSITION OF TAX ON COMBUSTED FOSSIL**
 13 **FUEL GREENHOUSE GAS EMISSIONS.**

14 “(a) IN GENERAL.—There is hereby imposed a tax
 15 on fossil fuels produced within, or imported into, the
 16 United States.

17 “(b) RATE OF TAX.—

18 “(1) GREENHOUSE GASES THAT WOULD BE RE-
 19 LEASED IF THE FOSSIL FUEL WERE COMBUSTED.—

20 The tax imposed by subsection (a) shall be the appli-

1 cable amount per ton of carbon dioxide equivalent of
2 all greenhouse gasses that would be released if the
3 fossil fuel were combusted.

4 “(2) APPLICABLE AMOUNT OF CARBON DIOXIDE
5 EQUIVALENT EMISSIONS.—For purposes of para-
6 graph (1), the term ‘applicable amount’ means—

7 “(A) for calendar year 2023, \$35 per met-
8 ric ton of carbon dioxide equivalent emissions,
9 and

10 “(B) for each calendar year after 2023,
11 the tax rate shall be the sum of—

12 “(i) the previous calendar year’s tax
13 rate, plus

14 “(ii) the sum of—

15 “(I) 5 percentage points, plus

16 “(II) a percentage increase in the
17 previous year’s tax rate equal to the
18 increase in the Consumer Price Index
19 for the previous calendar year.

20 “(3) CONSUMER PRICE INDEX FOR ANY CAL-
21 ENDAR YEAR.—For purposes of subparagraph (B),
22 the Consumer Price Index for the previous calendar
23 year is the average of the Consumer Price Index for
24 all-urban consumers published by the Department of
25 Labor as of the close of the 12-month period ending

1 on August 31 of such calendar year. For purposes
2 of the preceding sentence, the revision of the Con-
3 sumer Price Index which is most consistent with the
4 Consumer Price Index for calendar year 1986 shall
5 be used.

6 “(4) RATE ADJUSTMENT BASED ON EMISSION
7 LEVELS.—

8 “(A) REPORT.—Not later than March 30,
9 2024, and annually thereafter, the Secretary
10 and the Administrator shall jointly report the
11 emissions during the calendar year ending on
12 the preceding December 31 from sources sub-
13 ject to taxation under this part. The report
14 shall determine whether the cumulative amount
15 of annual emissions reported for the period be-
16 ginning in calendar year 2023 and through the
17 end of the preceding calendar year were less
18 than the emissions levels specified in the fol-
19 lowing schedule:

20 “(i) The total emissions through cal-
21 endar year 2023 are 4,700 million metric
22 tons of carbon dioxide equivalent.

23 “(ii) The total emissions through cal-
24 endar year 2024 are 9,400 million metric
25 tons of carbon dioxide equivalent.

1 “(iii) The total emissions through cal-
2 endar year 2025 are 14,000 million metric
3 tons of carbon dioxide equivalent.

4 “(iv) The total emissions through cal-
5 endar year 2026 are 18,300 million metric
6 tons of carbon dioxide equivalent.

7 “(v) The total emissions through cal-
8 endar year 2027 are 22,600 million metric
9 tons of carbon dioxide equivalent.

10 “(vi) The total emissions through cal-
11 endar year 2028 are 26,800 million metric
12 tons of carbon dioxide equivalent.

13 “(vii) The total emissions through cal-
14 endar year 2029 are 31,000 million metric
15 tons of carbon dioxide equivalent.

16 “(viii) The total emissions through
17 calendar year 2030 are 35,100 million
18 metric tons of carbon dioxide equivalent.

19 “(ix) The total emissions through cal-
20 endar year 2031 are 39,100 million metric
21 tons of carbon dioxide equivalent.

22 “(x) The total emissions through cal-
23 endar year 2032 are 43,100 million metric
24 tons of carbon dioxide equivalent.

1 “(xi) The total emissions through cal-
2 endar year 2033 are 47,100 million metric
3 tons of carbon dioxide equivalent.

4 “(B) ADJUSTMENTS FOR REPORT PE-
5 RIOD.—

6 “(i) IN GENERAL.—Not later than
7 March 30, 2025, and every two years
8 thereafter, the Secretary shall determine
9 whether an adjustment is required in ac-
10 cordance with clause (ii).

11 “(ii) PERIOD THROUGH 2034.—If the
12 emission level reported under subpara-
13 graph (A) for calendar year 2024, and
14 every second calendar year thereafter
15 through calendar year 2034, exceeds the
16 level for such calendar year specified in
17 clauses (i) through (xi) of subparagraph
18 (A), then the applicable amount under
19 paragraph (2) for the calendar year begin-
20 ning on the next January 1 following the
21 determination in clause (i) shall, after the
22 increase under paragraph (2) for such next
23 calendar year, be increased by an addi-
24 tional \$4 per metric ton.

1 “(c) BY WHOM PAID.—The tax imposed by sub-
2 section (a) shall be paid by the owner of the fossil fuel
3 at the point of taxation.

4 “(d) POINT OF TAXATION.—

5 “(1) For fossil fuels produced within the United
6 States, the point of taxation shall be—

7 “(A) for coal, the mine mouth or, for
8 washed coal, the exit from the coal preparation
9 and processing plant,

10 “(B) for petroleum products, the exit point
11 from the refinery, and

12 “(C) for natural gas, the exit from the gas
13 processing plant or, for natural gas that is not
14 treated at a gas processing plant, the point of
15 sale to the person who combusts the gas or in-
16 corporates it into a product that is not intended
17 for combustion.

18 “(2) For any fossil fuel imported into the
19 United States, the point of taxation shall be the
20 point at which it first enters the United States.

21 “(e) EXEMPTIONS.—

22 “(1) EXEMPTION FOR NONCOMBUSTIVE
23 USES.—

24 “(A) REFUND FOR REDUCTION OR ELIMI-
25 NATION OF EMISSIONS.—Any manufacturer of a

1 product that incorporates a fossil fuel that has
2 been taxed under this section who can dem-
3 onstrate to the Secretary that the fossil fuel has
4 been transformed via the manufacture of the
5 product so that the fossil fuel's emissions will
6 be reduced or eliminated over the product's life-
7 time shall be entitled to a refund of the tax
8 paid under this section on the proportion of the
9 emissions reduced thereby, as determined by
10 the Secretary.

11 “(B) RULE.—The Secretary, in consulta-
12 tion with the Administrator, shall establish by
13 rule the criteria and process by which product
14 manufacturers can demonstrate that the condi-
15 tions in subparagraph (A) have been satisfied.

16 “(C) PUBLICATION OF REGULATIONS.—
17 The Secretary shall publish the regulations re-
18 quired by this subsection no later than one year
19 prior to the start of the calendar year referred
20 to in section 9901(b)(2)(A). The Secretary may
21 not collect the tax imposed by this section for
22 any calendar year that begins less than one
23 year after the regulations are published.

24 “(2) EXEMPTION FOR CARBON CAPTURE AND
25 STORAGE.—

1 “(A) REFUND FOR SEQUESTERS.—Any
2 person who sequesters greenhouse gas emissions
3 resulting from the combustion of fossil fuel that
4 has passed through a point of taxation shall be
5 entitled to a refund of the tax imposed by this
6 section. Emissions that are used for enhanced
7 oil recovery shall be entitled for such refund
8 provided that these emissions meet all of the
9 criteria applicable to other emissions that qual-
10 ify for such refund.

11 “(B) RULE.—The Secretary shall establish
12 by rule the procedures by which to apply for
13 such refunds and such refunds shall be paid
14 within six months of the Secretary receiving an
15 approvable application.

16 “(C) TIME OF REFUND.—The Secretary
17 may not refund any amounts under this para-
18 graph until such time as the Secretary has pub-
19 lished the regulations described in section
20 45Q(f)(2).

1 **“SEC. 9902. IMPOSITION OF TAX ON GREENHOUSE GAS**
2 **EMISSIONS FROM CERTAIN INDUSTRIAL**
3 **PROCESSES.**

4 “(a) IN GENERAL.—There is hereby imposed a tax
5 on industrial process greenhouse gas emissions by certain
6 source categories.

7 “(b) LIST OF SOURCE CATEGORIES.—

8 “(1) INITIAL LIST.—The Congress establishes
9 for purposes of this section a list of source cat-
10 egories subject to this section as follows:

11 “(A) Iron and steel production and met-
12 allurgical coke production.

13 “(B) Underground coal mining.

14 “(C) Coal preparation and processing
15 plants.

16 “(D) Refineries.

17 “(E) Cement production.

18 “(F) Petrochemical production.

19 “(G) Lime production.

20 “(H) Ammonia production.

21 “(I) Aluminum production.

22 “(J) Soda ash production.

23 “(K) Ferroalloy production.

24 “(L) Phosphoric acid production.

25 “(M) Glass production.

26 “(N) Zinc production.

1 “(O) Lead production.

2 “(P) Magnesium production and proc-
3 essing.

4 “(Q) Nitric acid production.

5 “(R) Adipic acid production.

6 “(S) Semiconductor manufacture.

7 “(T) Electrical transmission and distribu-
8 tion.

9 “(2) REVISION OF THE LIST.—The Adminis-
10 trator shall review the list of source categories estab-
11 lished by this subsection not less than once every
12 five years to determine if they should continue to be
13 listed and publish the results of that review. The Ad-
14 ministrator may, if appropriate, add any source cat-
15 egories to this list by rule.

16 “(3) REMOVAL OF A SOURCE CATEGORY FROM
17 THE LIST.—The Administrator may remove a source
18 category from this list only if—

19 “(A) the total emissions from the entire
20 source category which are taxable under this
21 section have been less than 250,000 metric tons
22 of carbon dioxide equivalent per year for each
23 of three consecutive years,

24 “(B) the average emissions from facilities
25 in the source category which are taxable under

1 this section have been less than 25,000 metric
2 tons of carbon dioxide equivalent per year for
3 each of the years referred in subparagraph (A),
4 and

5 “(C) the Administrator determines that
6 there is no reasonable possibility that the total
7 emissions from the entire source category which
8 are taxable under this section will exceed
9 250,000 metric tons per year of carbon dioxide
10 equivalent within any of the five years following
11 such determination.

12 “(4) ADDITION OF A SOURCE CATEGORY TO
13 THE LIST.—The Administrator may add a source
14 category to this list only if the Administrator deter-
15 mines that—

16 “(A) the total emissions from the entire
17 source category which are taxable under this
18 section have been greater than 250,000 metric
19 tons per year of carbon dioxide equivalent in
20 any two years out of the preceding five years,

21 “(B) the average emissions from facilities
22 in the source category which are taxable under
23 this section have been greater than 25,000 met-
24 ric tons per year of carbon dioxide equivalent in
25 the years in which emissions from the entire

1 source category have been greater than 250,000
2 tons per year, and

3 “(C) there is a reasonable possibility that
4 the total emissions from the entire source cat-
5 egory which are taxable under this section will
6 be greater than 250,000 metric tons per year of
7 carbon dioxide equivalent in any year within the
8 next five years following such determination.

9 “(c) RATE OF TAX.—The rate of tax shall be the
10 same as the rate given in section 9901(b)(2).

11 “(d) BY WHOM PAID.—The tax imposed by sub-
12 section (a) shall be paid by the owner or operator of the
13 point of taxation.

14 “(e) POINT OF TAXATION.—The point of taxation
15 shall be any facility in a source category which emits more
16 than 25,000 metric tons of carbon dioxide equivalent sub-
17 ject to taxation under this section in any calendar year.

18 **“SEC. 9903. IMPOSITION OF TAX ON GREENHOUSE GAS**

19 **EMISSIONS FROM CERTAIN PRODUCT USES.**

20 “(a) IN GENERAL.—There is hereby imposed a tax
21 on non-fossil-fuel-greenhouse-gas emissions by certain
22 manufactured products when used for their intended pur-
23 poses that are manufactured within or imported into, the
24 United States.

25 “(b) LIST OF PRODUCTS.—

1 “(1) INITIAL LIST.—The Congress establishes
2 for purposes of this section a list of products subject
3 to this section as follows:

4 “(A) Fuel ethanol.

5 “(B) Industrial carbonates.

6 “(C) Carbon dioxide urea.

7 “(D) Soda ash.

8 “(E) Nitrous oxide.

9 “(F) Ozone depleting substances, but not
10 if the United States has ratified the Kigali
11 Amendment to the Montreal Protocol and is
12 subject to Article 2J, paragraph 1 of the
13 Amended Montreal Protocol.

14 “(G) Biodiesel.

15 “(H) Solid biomass fuels.

16 “(2) REVISION OF THE LIST.—The Adminis-
17 trator shall review the list of products established by
18 this subsection not less than once every five years to
19 determine if they should continue to be listed and
20 publish the results of that review. The Administrator
21 may, if appropriate, add any product to this list by
22 rule.

23 “(3) REMOVAL OF A PRODUCT FROM THE
24 LIST.—The Administrator may remove a product
25 from this list only if—

1 “(A) the total emissions from all of the
2 product used within the United States has been
3 less than 250,000 metric tons per year of car-
4 bon dioxide equivalent for each of three con-
5 secutive years, and

6 “(B) the Administrator determines that
7 there is no reasonable possibility that the total
8 emissions from all of the product used in the
9 United States will exceed 250,000 metric tons
10 per year of carbon dioxide equivalent within any
11 of the five years following such determination.

12 “(4) ADDITION OF A PRODUCT TO THE LIST.—
13 The Administrator may add a product to this list
14 only if the Administrator determines that—

15 “(A) the total emissions from all of the
16 product used within the United States has been
17 greater than 250,000 metric tons per year of
18 carbon dioxide equivalent in any two years out
19 of the preceding five years, and

20 “(B) there is a reasonable possibility that
21 the total emissions from all of the product used
22 within the United States will be greater than
23 250,000 metric tons per year of carbon dioxide
24 equivalent in any year within the next five years
25 following such determination.

1 “(c) RATE OF TAX.—The rate of tax shall be the
2 same as the rate given in section 9901(b)(2).

3 “(d) BY WHOM PAID.—The tax imposed by sub-
4 section (a) shall be paid—

5 “(1) for products manufactured in the United
6 States, by the owner or operator of the point of tax-
7 ation, and

8 “(2) for products imported into the United
9 States, by the owner of the product when it enters
10 the United States.

11 “(e) POINT OF TAXATION.—The point of taxation
12 shall be—

13 “(1) for products manufactured in the United
14 States, the manufacturing facility,

15 “(2) for products imported into the United
16 States, the point at which it first enters the United
17 States, and

18 “(3) for domestically produced biomass fuel by
19 a facility that emits from combusted biomass fuel
20 more than 25,000 metric tons of carbon dioxide
21 equivalent greenhouse gases in a year, the facility
22 that combusts the biomass fuel.

23 **“SEC. 9904. CALCULATION OF TAXABLE EMISSIONS.**

24 “(a) HOW TO CALCULATE TAXABLE EMISSIONS.—In
25 consultation with the Department of Energy, the Adminis-

1 trator shall establish by rule (and may, from time to time,
2 revise) the method by which taxable emissions under this
3 part shall be calculated.

4 “(b) CATEGORIES AND SUBCATEGORIES CONSID-
5 ERED.—For purposes of calculating emissions taxable
6 under—

7 “(1) section 9901, the Administrator shall de-
8 termine by rule the amount of carbon dioxide equiv-
9 alent that would be emitted if each fossil fuel were
10 combusted, and the Administrator may establish by
11 rule such subcategories of each fuel and the means
12 by which it is combusted as the Administrator deems
13 appropriate,

14 “(2) section 9902, the Administrator may de-
15 termine by rule such subcategories of any industrial
16 process category listed in subsection 9902(b) as the
17 Administrator deems appropriate, and

18 “(3) section 9903, for fuel ethanol, biodiesel,
19 and solid biomass fuels the Administrator shall de-
20 termine by rule the amount of carbon dioxide equiv-
21 alent that would be emitted based on the lifecycle
22 greenhouse gas emissions of the product (excluding
23 emissions from fossil fuels that have passed through
24 a point of taxation), and the Administrator may de-
25 termine by rule such subcategories of manufactured

1 products listed in subsection 9903(b) as the Admin-
2 istrator deems appropriate.

3 “(c) METHODS.—Where greenhouse gas emissions
4 subject to taxation under any section of this part are com-
5 bined with greenhouse gas emissions subject to taxation
6 under any other section of this part, the Administrator
7 shall ensure, to the greatest degree possible, that the
8 methods required to determine the emissions taxable
9 under any section of this part do not include any emissions
10 taxable under any other section of this part.

11 “(d) METHOD COST DIFFERENCES.—The Adminis-
12 trator shall not require the use of any method to calculate
13 taxable emissions whereby the difference in cost of the
14 method compared to the next cheapest alternative method
15 is greater than the amount of the tax that would be paid
16 on the additional emissions determined by the more expen-
17 sive method.

18 “(e) PUBLICATION OF REGULATIONS.—The Adminis-
19 trator shall publish the regulations required by this section
20 no later than one year prior to the start of the calendar
21 year referred to in section 9901(b)(2)(A). The Secretary
22 may not collect the tax imposed by any section in this part
23 for any calendar year that begins less than one year after
24 the regulations applicable to each such section are pub-
25 lished.

1 **“SEC. 9905. CREDIT FOR STATE PAYMENTS.**

2 “(a) CREDIT FOR PAYMENTS.—The Secretary shall
3 allow any person who is required to make payment for
4 greenhouse gas emissions under this part a credit for pay-
5 ments made on those emissions required under any State
6 law in the following manner:

7 “(1) For the year given in section 9901(b)(2),
8 a credit equal to 100 percent of the amount paid
9 pursuant to requirements of State law.

10 “(2) For the first year following the year used
11 in paragraph (1), a credit equal to 80 percent of the
12 amount paid pursuant to requirements of State law.

13 “(3) For the second year following the year
14 used in paragraph (1), a credit equal to 60 percent
15 of the amount paid pursuant to requirements of
16 State law.

17 “(4) For the third year following the year used
18 in paragraph (1), a credit equal to 40 percent of the
19 amount paid pursuant to requirements of State law.

20 “(5) For the fourth year following the year
21 used in paragraph (1), a credit equal to 20 percent
22 of the amount paid pursuant to requirements of
23 State law.

24 “(b) NO CREDIT.—For all years following the year
25 used in paragraph (5), no credit shall be allowed.

1 **“SEC. 9906. PENALTIES FOR NONPAYMENT.**

2 “Any person who fails to comply with the require-
3 ments of section 9901, 9902, or 9903 shall be liable for
4 payment to the Secretary, without demand, of a penalty
5 in the amount equal to 3 times the applicable amount
6 specified by those sections for the same tax year as the
7 year in which the person failed to comply with such re-
8 quirements.

9 **“SEC. 9907. DEFINITIONS.**

10 “Unless otherwise provided, the definitions provided
11 herein are applicable to all provisions of this subtitle.

12 “(1) ADMINISTRATOR.—The term ‘Adminis-
13 trator’ means the Administrator of the Environ-
14 mental Protection Agency.

15 “(2) CARDON DIOXIDE EQUIVALENT.—The
16 term ‘carbon dioxide equivalent’ means the number
17 of metric tons of CO₂ emissions with the same global
18 warming potential over a 100-year period as one
19 metric ton of another greenhouse gas.

20 “(3) COAL.—The term ‘coal’ means any of the
21 recognized classifications and ranks of coal, includ-
22 ing anthracite, bituminous, semibituminous, subbitu-
23 minous, lignite, and peat.

24 “(4) COAL PREPARATION AND PROCESSING
25 PLANT.—The term ‘coal preparation and processing
26 plant’ means any facility (excluding underground

1 mining operations) which prepares coal by one or
2 more of the following processes: breaking, crushing,
3 screening, wet or dry cleaning, and thermal drying.

4 “(5) ENHANCED OIL RECOVERY.—The term
5 ‘enhanced oil recovery’ has the meaning defined at
6 section 1.193–1(b)(2) of title 26, Code of Federal
7 Regulations, as in effect on the date of enactment of
8 this section.

9 “(6) FACILITY.—The term ‘facility’ means any
10 physical property, plant, building, structure, source,
11 or stationary equipment located on one or more con-
12 tiguous or adjacent properties in actual physical con-
13 tact or separated solely by a public roadway or other
14 public right-of-way and under common ownership or
15 common control, that emits or may emit any green-
16 house gas.

17 “(7) FOSSIL FUEL.—The term ‘fossil fuel’
18 means coal, petroleum products, or natural gas.

19 “(8) GREENHOUSE GAS.—The term ‘greenhouse
20 gas’ means carbon dioxide, nitrous oxide, methane,
21 hydrofluorocarbons, perfluorocarbons, and sulfur
22 hexafluoride.

23 “(9) GREENHOUSE GAS EFFECTS.—The term
24 ‘greenhouse gas effects’ means the adverse effects of
25 greenhouse gasses on health or welfare caused by

1 the greenhouse gas's heat-trapping potential or its
2 effect on ocean acidification.

3 “(10) LIFECYCLE GREENHOUSE GAS EMIS-
4 SIONS.—The term ‘lifecycle greenhouse gas emis-
5 sions’ has the meaning given that term in section
6 211 of the Clear Air Act.

7 “(11) NATURAL GAS.—The term ‘natural gas’
8 means any fuel consisting in whole or in part of nat-
9 ural gas, including components of natural gas such
10 as methane and ethane; liquid petroleum gas; syn-
11 thetic gas derived from coal, petroleum, or natural
12 gas liquids; or any mixture of natural gas and syn-
13 thetic gas.

14 “(12) PETROLEUM PRODUCTS.—The term ‘pe-
15 troleum products’ means unfinished oils, liquefied
16 petroleum gases, pentanes plus, aviation gasoline,
17 motor gasoline, naphtha-type jet fuel, kerosene-type
18 jet fuel, kerosene, distillate fuel oil, residual fuel oil,
19 petrochemical feedstocks, special naphthas, lubri-
20 cants, waxes, petroleum coke, asphalt, road oil, still
21 gas, and miscellaneous products obtained from the
22 processing of crude oil (including lease condensate),
23 natural gas, and other hydrocarbon compounds. The
24 term does not include natural gas, liquefied natural

1 gas, biofuels, methanol, and other nonpetroleum
2 fuels.

3 “(13) PUBLISH.—The term ‘publish’ means
4 publication in the Federal Register.

5 “(14) REFINERY.—The term ‘refinery’ means
6 any facility engaged in producing gasoline, kerosene,
7 distillate fuel oils, residual fuel oils, lubricants, or
8 other products through distillation of petroleum or
9 through redistillation, cracking, or reforming of un-
10 finished petroleum derivatives.

11 “(15) OWNER.—The term ‘owner’ with respect
12 to any fossil fuel means any person who has legal
13 title to the fossil fuel.

14 “(16) OWNER OR OPERATOR.—The term ‘owner
15 or operator’ with respect to any fossil fuel means
16 any person who has legal title to the fossil fuel.

17 “(17) SEQUESTERS.—The term ‘sequesters’
18 means the permanent storage of carbon dioxide or
19 other greenhouse gas such that it does not escape
20 into the atmosphere, and is in compliance with the
21 regulations issued pursuant to section 45Q(f)(2).

22 “(18) SOLID BIOMASS.—The term ‘solid bio-
23 mass’ means nonfossilized and biodegradable organic
24 material originating from plants, animals, or micro-
25 organisms, including products, byproducts, residues

1 and waste from agriculture, forestry, and related in-
 2 dustries as well as the nonfossilized and biodegrad-
 3 able organic fractions of industrial and municipal
 4 wastes, but does not include gases and liquids recov-
 5 ered from the decomposition of nonfossilized and
 6 biodegradable organic material.

7 “(19) SOURCE CATEGORY.—The term ‘source
 8 category’ means any category or subcategory regu-
 9 lated under part 60 of title 40, Code of Federal Reg-
 10 ulations, or part 90 of title 40, Code of Federal Reg-
 11 ulations.

12 **“PART 2—TAX ADJUSTMENTS FOR IMPORTS AND**
 13 **EXPORTS OF GREENHOUSE GAS INTENSIVE**
 14 **PRODUCTS**

“Sec. 9911. Purposes.

“Sec. 9912. Definitions.

“Sec. 9913. Notification of foreign countries.

“Sec. 9914. Border tax adjustment rate.

15 **“SEC. 9911. PURPOSES.**

16 “(a) PURPOSES OF PART.—The purposes of this part
 17 are—

18 “(1) to promote a strong global effort to signifi-
 19 cantly reduce greenhouse gas emissions, and

20 “(2) to prevent carbon leakage.

21 “(b) ADDITIONAL PURPOSES OF PART.—The pur-
 22 poses of this part are additionally—

1 “(1) to provide a rebate to exporters in domes-
2 tic eligible industrial sectors for the greenhouse gas
3 emission costs of the owners and operators incurred
4 under this title, but not for costs associated with
5 other related or unrelated market dynamics,

6 “(2) to ensure that imports from other coun-
7 tries, and, in particular, fast-growing developing
8 countries, do not enjoy competitive advantages be-
9 cause of the carbon tax liability of domestic manu-
10 facturers, and therefore increase their emissions,

11 “(3) to encourage foreign countries to take sub-
12 stantial action with respect to their greenhouse gas
13 emissions, and

14 “(4) to ensure that the measures described in
15 this subpart are designed and implemented in a
16 manner consistent with applicable international
17 agreements to which the United States is a party.

18 **“SEC. 9912. DEFINITIONS.**

19 “In this part:

20 “(1) CARBON LEAKAGE.—The term ‘carbon
21 leakage’ means any substantial increase (as deter-
22 mined by the Secretary) in greenhouse gas emissions
23 by entities located in other countries caused by a
24 cost of production increase in the United States re-
25 sulting from implementation of this title.

1 “(2) BORDER TAX ADJUSTMENT.—The term
2 ‘border tax adjustment’ means the levying of a tax
3 on imported covered goods equivalent to the amount
4 of tax paid pursuant to part 1 of this subtitle in the
5 manufacture of comparable domestic manufactured
6 goods, and the rebating of the tax paid pursuant to
7 part 1 of this subtitle that has been paid on covered
8 goods exported from the United States.

9 “(3) BORDER TAX ADJUSTMENT RATE.—The
10 term ‘border tax adjustment rate’ means the amount
11 of tax that would be paid on a covered good pro-
12 duced in the United States in the current year.

13 “(4) COMMISSIONER.—The term ‘Commis-
14 sioner’ means the Commissioner of United States
15 Customs and Border Protection.

16 “(5) COVERED GOOD.—The term ‘covered good’
17 means a good that is—

18 “(A) entered under a heading or sub-
19 heading of the Harmonized Tariff Schedule of
20 the United States that corresponds to the
21 NAICS code for an eligible industrial sector, as
22 established in the concordance between NAICS
23 codes and the Harmonized Tariff Schedule of
24 the United States prepared by the United
25 States Census Bureau, or

1 “(B) a manufactured item for consump-
2 tion.

3 “(6) ELIGIBLE INDUSTRIAL SECTOR.—The
4 term ‘eligible industrial sector’ means an industrial
5 sector determined by the Secretary under section
6 9913.

7 “(7) INDUSTRIAL SECTOR.—The term ‘indus-
8 trial sector’ means any sector that—

9 “(A) is in the manufacturing sector (as de-
10 fined in NAICS codes 31, 32, and 33), or

11 “(B) is part of, or an entire, sector that
12 beneficiates or otherwise processes (including
13 agglomeration) metal ores, including iron and
14 copper ores, soda ash, and phosphate. The term
15 ‘industrial sector’ does not include any part of
16 a sector that extracts fossil fuels, metal ores,
17 soda ash, or phosphate.

18 “(8) MANUFACTURED ITEM FOR CONSUMP-
19 TION.—The term ‘manufactured item for consump-
20 tion’ means any good—

21 “(A) that includes in substantial quantities
22 one or more goods like the goods produced by
23 an eligible industrial sector, and

24 “(B) for which the Secretary has deter-
25 mined, with the concurrence of the Commis-

1 sioner, that the application of the border tax
2 adjustment program pursuant to this part is
3 technically and administratively feasible and ap-
4 propriate to achieve the purposes of this part,
5 taking into account the greenhouse gas inten-
6 sity, and where appropriate the trade intensity,
7 of the industrial sector that produces the good,
8 as measured consistent with section 9913 and
9 the ability of the producers to recover cost in-
10 creases in the marketplace and other appro-
11 priate factors.

12 “(9) NAICS.—The term ‘NAICS’ means the
13 North American Industrial Classification System of
14 2002.

15 “(10) OUTPUT.—The term ‘output’ means the
16 total tonnage or other standard unit of production
17 (as determined by the Secretary) produced by an en-
18 tity in an industrial sector.

19 **“SEC. 9913. NOTIFICATION OF FOREIGN COUNTRIES.**

20 “(a) IN GENERAL.—As soon as practicable after the
21 date of the enactment of the Modernizing America with
22 Rebuilding to Kickstart the Economy of the Twenty-first
23 Century with a Historic Infrastructure-Centered Expan-
24 sion Act, the President shall notify each foreign country—

1 “(1) requesting the foreign country to take ap-
2 propriate measures to limit the greenhouse gas emis-
3 sions of the foreign country, and

4 “(2) indicating that a border tax adjustment
5 may apply to covered goods imported into and ex-
6 ported from the United States.

7 “(b) LISTS.—

8 “(1) IN GENERAL.—Not later than 1 year after
9 the date of the enactment of the Modernizing Amer-
10 ica with Rebuilding to Kickstart the Economy of the
11 Twenty-first Century with a Historic Infrastructure-
12 Centered Expansion Act, the Secretary shall promul-
13 gate a rule designating, based on the criteria under
14 subsection (c)(2), industrial sectors where covered
15 products are liable for the border tax adjustment.

16 “(2) CONTENT.—The list shall include the
17 amount of the border tax adjustment rate for each
18 covered good in the following calendar year pursuant
19 to section 9914.

20 “(3) SUBSEQUENT LISTS.—Not later than Jan-
21 uary 31 of each calendar year after the calendar
22 year in which the Modernizing America with Re-
23 building to Kickstart the Economy of the Twenty-
24 first Century with a Historic Infrastructure-Cen-
25 tered Expansion Act is enacted, the Secretary shall

publish in the Federal Register an updated version
of the list published under paragraph (1).

“(c) ELIGIBLE INDUSTRIAL SECTORS.—

“(1) PRESUMPTIVELY ELIGIBLE INDUSTRIAL
SECTORS.—

“(A) ELIGIBILITY CRITERIA.—

“(i) IN GENERAL.—

“(I) Imported covered goods are
liable under this part if they are pro-
duced in the United States in an in-
dustrial sector that is included in a 6-
digit classification of the NAICS that
meets the criteria in both clauses (ii)
and (iii).

“(II) Exported covered goods are
eligible under this part if they are
produced in the United States in an
industrial sector that is included in a
6-digit classification of the NAICS
that meets the criteria in clauses (ii)
and (iii).

“(ii) GREENHOUSE GAS INTENSITY.—

As determined by the Secretary, an indus-
trial sector meets the criteria of this clause
if the United States industrial sector has a

1 greenhouse gas intensity of at least 5 per-
2 cent, calculated by dividing—

3 “(I) the number of metric tons of
4 carbon dioxide equivalent greenhouse
5 gas emissions (including direct emis-
6 sions from fuel combustion, process
7 emissions, and indirect emissions from
8 the generation of electricity used to
9 produce the output of the sector) of
10 the sector based on data described in
11 subparagraph (C), multiplied by the
12 applicable rate in section 9901(b)(2),
13 by

14 “(II) the value of the shipments
15 of the sector, based on data described
16 in subparagraph (C).

17 “(iii) TRADE INTENSITY.—As deter-
18 mined by the Secretary, an industrial sec-
19 tor meets the criteria of this clause if the
20 industrial sector has a trade intensity of at
21 least 15 percent, calculated by dividing—

22 “(I) the value of the total im-
23 ports and exports of the sector, by

24 “(II) the value of the shipments
25 plus the value of imports of the sec-

1 tor, based on data described in sub-
2 paragraph (C).

3 “(B) METAL AND PHOSPHATE PRODUC-
4 TION CLASSIFIED UNDER MORE THAN ONE
5 NAICS CODE.—For purposes of this section, the
6 Secretary shall—

7 “(i) aggregate data for the
8 beneficiation or other processing (including
9 agglomeration) of metal ores, including
10 iron and copper ores, soda ash, or phos-
11 phate with subsequent steps in the process
12 of metal and phosphate manufacturing, re-
13 gardless of the NAICS code under which
14 the activity is classified, and

15 “(ii) aggregate data for the manufac-
16 turing of steel with the manufacturing of
17 steel pipe and tube made from purchased
18 steel in a nonintegrated process.

19 “(C) DATA SOURCES.—

20 “(i) VALUE OF SHIPMENTS.—

21 “(I) IN GENERAL.—The Sec-
22 retary shall determine the value of
23 shipments under this subsection from
24 data from the United States Census
25 Annual Survey of Manufacturers.

1 “(II) AVERAGE DATA AVAIL-
2 ABLE.—The Secretary shall use the
3 average of data from the most recent
4 3 years for which the data are avail-
5 able.

6 “(III) AVERAGE DATA NOT
7 AVAILABLE.—If data described in sub-
8 clause (II) are unavailable, the Sec-
9 retary shall make a determination
10 based on—

11 “(aa) data from the most
12 detailed industrial classification
13 level of the Manufacturing En-
14 ergy Consumption Survey of the
15 Energy Information Administra-
16 tion, and

17 “(bb) data from the most re-
18 cent Economic Census of the
19 United States.

20 “(IV) DATA NOT AVAILABLE FOR
21 SECTOR.—If data from the Manufac-
22 turing Energy Consumption Survey or
23 Economic Census are unavailable for
24 any sector at the 6-digit classification
25 level in the NAICS, the Secretary may

1 use available Manufacturing Energy
2 Consumption Survey or Economic
3 Census data pertaining to a broader
4 industrial category classified in the
5 NAICS.

6 “(V) DATA NOT AVAILABLE FOR
7 PROCESSING.—If data relating to the
8 beneficiation or other processing (in-
9 cluding agglomeration) of metal ores
10 (including iron and copper ores, soda
11 ash, or phosphate) are not available
12 from the specified data sources, the
13 Secretary—

14 “(aa) shall use the best
15 available Federal or State gov-
16 ernment data, and

17 “(bb) may use, to the extent
18 necessary, representative data
19 submitted by entities that per-
20 form the beneficiation or other
21 processing (including agglomer-
22 ation), in making a determina-
23 tion.

24 “(ii) IMPORTS AND EXPORTS.—

1 “(I) IN GENERAL.—The Sec-
2 retary shall base the value of imports
3 and exports under this subsection on
4 United States International Trade
5 Commission data.

6 “(II) AVERAGE DATA AVAIL-
7 ABLE.—The Secretary shall use the
8 average of data from the three most
9 recent years for which the data are
10 available.

11 “(III) AVERAGE DATA NOT
12 AVAILABLE.—If data from the United
13 States International Trade Commis-
14 sion are unavailable for any sector at
15 the 6-digit classification level in the
16 NAICS, the Secretary may use United
17 States International Trade Commis-
18 sion data pertaining to a broader in-
19 dustrial category classified in the
20 NAICS.

21 “(iii) PERCENTAGES.—The Secretary
22 shall round the greenhouse gas intensity
23 and trade intensity percentages under sub-
24 paragraph (A) to the nearest whole num-
25 ber.

“(iv) GREENHOUSE GAS EMISSION CALCULATIONS.—When calculating the metric tons of carbon dioxide equivalent greenhouse gas emissions for each sector under subparagraph (A)(ii)(I), the Secretary—

“(I) shall use the best available data from the three most recent years for which the data are available, and

“(II) may, to the extent necessary with respect to a sector, use economic and engineering models and the best available information on technology performance levels for the sector.

“(2) ADMINISTRATIVE DETERMINATION OF ADDITIONAL ELIGIBLE INDUSTRIAL SECTORS.—

“(A) UPDATED TRADE INTENSITY DATA.—

The Secretary shall designate as liable for the border tax adjustment rate on imported products under this part an industrial sector that—

“(i) met the greenhouse gas intensity criteria in paragraph (1)(A)(ii) as of the date of promulgation of the rule under paragraph (1), and

1 “(ii) meets the trade intensity criteria
2 established under paragraph (1)(A)(iii),
3 using data sources described in paragraph
4 (1)(C) from any year after the passage of
5 this Act.

6 “(B) INDIVIDUAL SHOWING PETITION.—

7 “(i) PETITION.—In addition to des-
8 ignation under subparagraph (A), the
9 owner or operator of an entity or a group
10 of entities that collectively produce not less
11 than 80 percent of the average annual
12 value of shipments from within the sector
13 of the group consistent with subclause (I),
14 that manufacture similar products in an
15 industrial sector may petition the Sec-
16 retary to designate as eligible industrial
17 sectors under this part an entity or a
18 group of entities that—

19 “(I) represent a sector using a
20 standard product classification, and

21 “(II) meet the respective import
22 and/or export eligibility criteria in
23 paragraph (1)(A)(i).

1 “(ii) DATA.—In making a determina-
2 tion under this subparagraph, the Sec-
3 retary shall consider—

4 “(I) data submitted by the peti-
5 tioner,

6 “(II) data solicited by the Sec-
7 retary from other entities in the sec-
8 tor, and

9 “(III) data specified in para-
10 graph (1)(C).

11 “(iii) BASIS OF SUBSECTOR DETER-
12 MINATION.—

13 “(I) IN GENERAL.—Except as
14 provided in subclause (II), the Sec-
15 retary shall determine an entity or
16 group of entities to be a subsector of
17 a 6-digit section of the NAICS code
18 based only on the products manufac-
19 tured and not the industrial process
20 by which the products are manufac-
21 tured.

22 “(II) TYPE OF MATERIAL.—The
23 Secretary may determine an entity or
24 group of entities that manufacture a
25 product from primarily virgin material

1 to be a separate subsector from an-
2 other entity or group of entities that
3 manufacture the same product pri-
4 marily from recycled material.

5 “(iv) USE OF MOST RECENT DATA.—

6 In determining whether to designate a sec-
7 tor or subsector as an eligible industrial
8 sector under this subparagraph, the Sec-
9 retary shall use the most recent data avail-
10 able from the sources described in para-
11 graph (1)(C), rather than the data from
12 the years specified in paragraph (1)(C), to
13 determine the trade intensity of the sector
14 or subsector, but only for determining the
15 trade intensity.

16 “(v) FINAL ACTION.—The Secretary
17 shall take final action on a petition de-
18 scribed in this subparagraph not later than
19 180 days after the date the completed peti-
20 tion is received by the Secretary.

21 “(3) CESSATION OF QUALIFYING ACTIVITIES.—

22 If, as determined by the Secretary, an industrial sec-
23 tor or a covered good within the sector is no longer
24 liable to be designated under this section, the Com-
25 missioner shall cease to apply the border tax adjust-

1 ment on the relevant covered goods with effect from
2 January 1 of the following year.

3 **“SEC. 9914. BORDER TAX ADJUSTMENT RATE.**

4 “(a) ESTABLISHMENT.—The Secretary, with the con-
5 currence of the Commissioner, shall, no later than the date
6 that is one year after the date of the enactment of this
7 section, promulgate regulations—

8 “(1) establishing the products which are liable
9 for, and requiring payment of, the border tax adjust-
10 ment rate,

11 “(2) establishing a general methodology for cal-
12 culating the level of the border tax adjustment rate
13 that a domestic importer of any covered good must
14 submit and the rebate that an exporter will receive,

15 “(3) establishing an administrative process
16 whereby any determination by the Secretary under
17 this subsection may be appealed,

18 “(4) exempting from this section products that
19 originate from—

20 “(A) any country that the United Nations
21 has identified as among the least developed of
22 developing countries, or

23 “(B) any country that the President has
24 determined to be responsible for less than 0.5
25 percent of total global greenhouse gas emissions

1 and less than 5 percent of global production in
2 the eligible industrial sector,

3 “(5) specifying the procedures that the Com-
4 missioner will apply for the declaration and entry of
5 covered goods with respect to the eligible industrial
6 sector into the customs territory of the United
7 States, and

8 “(6) establishing procedures that prevent cir-
9 cumvention of the carbon tax liability for covered
10 goods that are manufactured or processed in more
11 than one foreign country.

12 “(b) PRESIDENTIAL DISCRETION.—The President
13 may elect not to levy the border tax adjustment for an
14 eligible industrial sector or for specific products within
15 that sector if the President determines and certifies to
16 Congress that the program would not be in the national
17 interest, economic interest, or environmental interest of
18 the United States.”.

19 (b) CLERICAL AMENDMENT.—The table of subtitles
20 for the Internal Revenue Code of 1986 is amended by add-
21 ing at the end the following new item:

22 **“Subtitle L—Greenhouse Gas**
23 **Emissions”.**

24 (c) EFFECTIVE DATE.—The amendments made by
25 this section shall apply to emissions after the later of De-

1 cember 31, 2021, and the date that is one year after the
2 date regulations are promulgated under section 9914 of
3 the Internal Revenue Code of 1986.

4 **TITLE II—DISTRIBUTION OF**
5 **REVENUES FROM TAXATION**
6 **OF GREENHOUSE GAS EMIS-**
7 **SIONS**

8 **Subtitle A—Rebuilding Infrastruc-**
9 **ture And Solutions For The En-**
10 **vironment Trust Fund**

11 **SEC. 201. ESTABLISHMENT OF THE RISE TRUST FUND.**

12 There is hereby created in the Treasury of the United
13 States a trust fund to be known as the “Rebuilding Infra-
14 structure and Solutions for the Environment Trust Fund”
15 (hereafter in this Act referred to as the “RISE Trust
16 Fund”), consisting of amounts paid into the Treasury pur-
17 suant to subtitle L of the Internal Revenue Code of 1986
18 (as added by title I of this Act), and 75 percent of such
19 amounts are hereby appropriated and transferred to the
20 RISE Trust Fund.

21 **SEC. 202. APPROPRIATIONS FROM THE RISE TRUST FUND.**

22 (a) IN GENERAL.—Amounts in the RISE Trust
23 Fund for a fiscal year shall be available, as provided by
24 appropriation Acts, as follows:

1 (1) 70 percent for each of the fiscal years 2023
2 through 2032 to the Highway Trust Fund.

3 (2) 1.5 percent for each of the fiscal years 2023
4 through 2032 for the weatherization program devel-
5 oped under part A of title IV of the Energy Con-
6 servation and Production Act (42 U.S.C. 6861 et
7 seq.).

8 (3) 3 percent for each of the fiscal years 2023
9 through 2032 for assistance for displaced energy
10 workers under section 321.

11 (4) 2.5 percent for each of the fiscal years 2023
12 through 2032 to the Airport and Airway Trust Fund
13 under section 9502 of the Internal Revenue Code of
14 1986.

15 (5) 0.1 percent for each of the fiscal years 2023
16 through 2032 to the Leaking Underground Storage
17 Trust Fund under section 9508 of the Internal Rev-
18 enue Code of 1986.

19 (6) 1.5 percent for each of the fiscal years 2023
20 through 2032 to the Abandoned Mine Reclamation
21 Fund under section 401 of the Surface Mining Con-
22 trol and Reclamation Act of 1977 (30 U.S.C. 1231).

23 (7) 4 percent for each of the fiscal years 2023
24 through 2032 for frequent and chronic coastal flood-

1 ing mitigation and adaptation infrastructure projects
2 under section 302.

3 (8) 1.5 percent for each of the fiscal years 2023
4 through 2032 for Advanced Research Projects Agen-
5 cy-Energy under section 5012 of the America COM-
6 PETES Act (42 U.S.C. 16538).

7 (9) 0.7 percent for each of the fiscal years 2023
8 through 2032 for the Carbon Capture Research and
9 Development Program of the National Energy Tech-
10 nology Laboratory, Office of Fossil Energy, Depart-
11 ment of Energy.

12 (10) 0.5 percent for each of the fiscal years
13 2023 through 2032 for assistance for Carbon Stor-
14 age DOE Fossil Energy Research, Development, and
15 Demonstration Program Areas, Coal Program Area
16 (Carbon Storage).

17 (11) 0.5 percent for each of the fiscal years
18 2023 through 2032 for assistance to the National
19 Energy Technology Laboratory of the Office of Fos-
20 sil Energy for the research and development of car-
21 bon removal technologies.

22 (12) 0.3 percent for each of the fiscal years
23 2023 through 2032 to the Secretary of Energy for
24 research and development to identify and assess
25 novel uses for carbon oxides, including the conver-

1 sion of carbon dioxide for commercial and industrial
2 products, such as chemicals, plastics, building mate-
3 rials, fuels, cement, products of coal use in power
4 systems or other applications, or other products with
5 demonstrated market value.

6 (13) 0.2 percent for each of the fiscal years
7 2023 through 2032 to the Secretary of Energy to
8 provide grants to entities constructing common car-
9 rier pipeline infrastructure to transport anthropo-
10 genic carbon dioxide for the incremental cost of pro-
11 viding extra capacity for future carbon dioxide trans-
12 port needs.

13 (14) 0.5 percent for each of the fiscal years
14 2023 through 2032 for research and development re-
15 lating to energy storage by battery through the Of-
16 fice of Electricity, Department of Energy.

17 (15) 10 percent for each of the fiscal years
18 2023 through 2032 for State grants under section
19 203.

20 (16) 1 percent for each of the fiscal years 2023
21 through 2032 to the Reforestation Trust Fund (16
22 U.S.C. 1606a).

23 (17) 0.1 percent for each of the fiscal years
24 2023 through 2032 for assistance through coopera-
25 tive agreements to decrease the environmental im-

1 pact of energy-related activities pursuant to section
2 931 of the Energy Policy Act of 2005 (42 U.S.C.
3 16231).

4 (18) 1.6 percent for each of the fiscal years
5 2023 through 2032 for the environmental quality in-
6 centives program under chapter 4 of subtitle D of
7 title XII of the Food Security Act of 1985 (16
8 U.S.C. 3839aa et seq.) for payments to producers to
9 implement practices that promote improvements
10 identified in subparagraphs (A) and (C) of section
11 1240B(d)(3) of such Act (16 U.S.C. 3839aa–2).

12 (19) 0.5 percent for each of fiscal years 2023
13 through 2032 for the regional conservation partner-
14 ship program under section 1271 of the Food Secu-
15 rity Act of 1985 (16 U.S.C. 3871) for eligible activi-
16 ties on eligible land through partnership agreements
17 with eligible partners and contracts with producers
18 that address one of the following goals:

19 (A) Soil health.

20 (B) Nutrient management.

21 (C) Forest restoration.

22 (D) Reduction of methane emissions.

23 (E) Other related activities that the Sec-
24 retary determines will help achieve conservation

1 benefits and increase carbon sequestration or
2 reduce greenhouse gas emissions.

3 (b) CARBON REMOVAL.—For purposes of subsection
4 (a)(11), the term “carbon removal technologies” includes:

5 (1) Direct air capture and storage technologies,
6 which shall not include any equipment which cap-
7 tures carbon dioxide which is deliberately released
8 from naturally occurring subsurface springs or using
9 natural photosynthesis.

10 (2) Bioenergy with carbon capture and seques-
11 tration.

12 (3) Enhanced geological weathering.

13 (4) Agricultural and grazing practices.

14 (5) Forest management and afforestation.

15 (6) Planned or managed carbon sinks, including
16 natural and artificial.

17 (c) WAGE RATE REQUIREMENTS.—Notwithstanding
18 any other provision of law and in a manner consistent with
19 other provisions in this Act, all laborers and mechanics
20 employed by contractors and subcontractors on projects
21 funded directly by or assisted in whole or in part by and
22 through the Federal Government pursuant to this Act
23 shall be paid wages at rates not less than those prevailing
24 on projects of a character similar in the locality as deter-
25 mined by the Secretary of Labor in accordance with sub-

1 chapter IV of chapter 31 of title 40, United States Code.
 2 With respect to the labor standards specified in this sec-
 3 tion, the Secretary of Labor shall have the authority and
 4 functions set forth in Reorganization Plan Numbered 14
 5 of 1950 (64 Stat. 1267; 5 U.S.C. App.) and section 3145
 6 of title 40, United States Code.

7 (d) CONFORMING AMENDMENTS.—

8 (1) LEAKING UNDERGROUND STORAGE TANK
 9 TRUST FUND.—Section 9508(b) of the Internal Rev-
 10 enue Code of 1986 is amended—

11 (A) by striking “and” at the end of para-
 12 graph (3);

13 (B) by striking the period at the end of
 14 paragraph (4) and inserting “, and”; and

15 (C) by inserting after paragraph (4) the
 16 following:

17 “(5) amounts made available to the Leaking
 18 Underground Storage Tank Trust Fund from the
 19 RISE Trust Fund under section 202(a)(5) of the
 20 Modernizing America with Rebuilding to Kickstart
 21 the Economy of the Twenty-first Century with a
 22 Historic Infrastructure-Centered Expansion Act.”.

23 (2) REFORESTATION TRUST FUND.—

24 (A) SOURCE OF FUNDS.—Section 303(a)
 25 of the Act of October 14, 1980 (16 U.S.C.

1 1606a(a)) is amended by striking “subsection
2 (b)(1)” and inserting “paragraph (1) or (4) of
3 subsection (b)”.

4 (B) SPECIAL RULE RELATING TO LIMITA-
5 TION.—Section 303(b) of the Act of October
6 14, 1980 (16 U.S.C. 1606a(b)) is amended—

7 (i) in paragraph (2) by inserting
8 “under paragraph (1)” after “transfer”,
9 and

10 (ii) by adding at the end the fol-
11 lowing:

12 “(4) Not later than 9 months after the enact-
13 ment of the Modernizing America with Rebuilding to
14 Kickstart the Economy of the Twenty-first Century
15 with a Historic Infrastructure-Centered Expansion
16 Act, the Secretary shall transfer to the Trust Fund
17 the amounts made available under section
18 202(a)(13) of such Act.”.

19 **SEC. 203. STATE GRANTS.**

20 (a) IN GENERAL.—From amounts made available
21 under section 202(a)(15), the Secretary of the Treasury
22 shall make a annual grant to each State (hereafter in this
23 section referred to as “State grant”) to distribute to eligi-
24 ble low-income households in accordance with this section.

1 (b) ELIGIBLE LOW-INCOME HOUSEHOLD.—A house-
2 hold shall be considered to be an eligible low-income house-
3 hold for purposes of this section if—

4 (1) except as provided in subsection (d)(4), the
5 gross income of the household does not exceed 150
6 percent of the poverty line;

7 (2) the appropriate State agency for the State
8 in which the household is located determines that
9 the household is participating in—

10 (A) the Supplemental Nutrition Assistance
11 Program authorized by the Food and Nutrition
12 Act of 2008 (7 U.S.C. 2011 et seq.);

13 (B) the Food Distribution Program on In-
14 dian Reservations authorized by section 4(b) of
15 such Act (7 U.S.C. 2013(b)); or

16 (C) the program for nutrition assistance in
17 Puerto Rico or American Samoa under section
18 19 of such Act (7 U.S.C. 2028);

19 (3) the household consists of a single individual
20 or a married couple, and—

21 (A) receives the subsidy described in sec-
22 tion 1860D–14 of the Social Security Act (42
23 U.S.C. 1395w–114); or

24 (B)(i) participates in the program under
25 title XVIII of the Social Security Act; and

1 (ii) meets the income requirements de-
2 scribed in section 1860D–14(a)(1) or
3 (a)(2) of the Social Security Act (42
4 U.S.C. 1395w–114(a)(1) or (a)(2)); or

5 (4) the household consists of a single individual
6 or a married couple, and receives benefits under the
7 supplemental security income program under title
8 XVI of the Social Security Act (42 U.S.C. 1381–
9 1383f).

10 (c) AMOUNT.—The Secretary of the Treasury, in con-
11 sultation with the Secretary of Energy and the Adminis-
12 trator of the Environmental Protection Agency, shall de-
13 termine the amount of each State grant in proportion to
14 the percentage of total United States greenhouse gas emis-
15 sions attributable to electricity, natural gas, gasoline, die-
16 sel, and fuel ethanol sold in such State during the pre-
17 ceding calendar year.

18 (d) RULE RELATING TO PROCESS.—Not later than
19 1 year after the enactment of this Act, the Secretary of
20 the Treasury shall establish by rule a date in each year
21 by which each State shall notify the Secretary how the
22 State intends to distribute the State Grant. The Secretary
23 shall transfer the State Grant to each State only upon
24 the State demonstrating to the Secretary’s satisfaction

1 that the State intends to distribute the State Grant in ac-
 2 cordance with this section.

3 (e) STATE.—For the purposes of this section, the
 4 term “State” includes the District of Columbia and any
 5 territory of possession of the United States.

6 **Subtitle B—Certain Manufacturers** 7 **Excise Taxes**

8 **SEC. 211. REPEAL OF FEDERAL MOTOR VEHICLE AND AVIA-** 9 **TION FUEL TAXES.**

10 (a) IN GENERAL.—Subpart A of part III of sub-
 11 chapter A of chapter 32 of the Internal Revenue Code of
 12 1986 is hereby repealed.

13 (b) EFFECTIVE DATE.—The repeal made by sub-
 14 section (a) shall apply to transactions after December 31,
 15 2021.

16 **SEC. 212. AMENDMENTS TO CERTAIN TAX CREDITS FOR** 17 **CARBON CAPTURE AND STORAGE.**

18 (a) IN GENERAL.—Section 45Q of the Internal Rev-
 19 enue Code (26 U.S.C. 45Q) is amended in subsection
 20 (d)(1), by striking “2026” and inserting “2028”.

21 (b) EFFECTIVE DATE.—The amendments made by
 22 this section shall apply to taxable years beginning after
 23 the date of the enactment of this Act.

1 **SEC. 213. MODIFICATIONS OF QUALIFYING ADVANCED**
2 **COAL PROJECT CREDIT.**

3 (a) SEQUESTRATION REQUIREMENT FOR CERTAIN
4 EQUIPMENT.—Section 48A(e)(1)(G) of the Internal Rev-
5 enue Code of 1986 is amended by inserting “and 60 per-
6 cent in the case of an application for a reallocation of cred-
7 its under subsection (d)(4) with respect to an electrical
8 generating unit in existence on October 3, 2008” after
9 “under subsection (d)(4)”.

10 (b) NAMEPLATE GENERATING CAPACITY REQUIRE-
11 MENT.—Section 48A(e)(1)(C) of such Code is amended by
12 striking “400 megawatts” and inserting “200
13 megawatts”.

14 (c) ADVANCED COAL-BASED GENERATION TECH-
15 NOLOGY REQUIREMENTS.—

16 (1) IN GENERAL.—Section 48A(f)(1) of such
17 Code is amended by striking “generation technology
18 if—” and all that follows through “the unit is de-
19 signed” and inserting “generation technology if the
20 unit is designed”.

21 (2) CONFORMING AMENDMENTS.—Section
22 48A(f) is amended—

23 (A) by striking all that precedes “the pur-
24 pose of this section” and inserting the fol-
25 lowing:

1 “(f) ADVANCED COAL-BASED GENERATION TECH-
2 NOLOGY.—For”;

3 (B) by striking “in subparagraph (B)” in
4 the second sentence and inserting “in this sub-
5 section”; and

6 (C) by striking paragraphs (2) and (3).

7 (d) PERFORMANCE REQUIREMENTS IN CASE OF
8 BEST AVAILABLE CONTROL TECHNOLOGY.—Section
9 48A(f) of such Code, as amended by this Act, is amended
10 by adding at the end the following: “In the case of a ret-
11 rofit of a unit which has undergone a best available control
12 technology analysis after August 8, 2005, with respect to
13 the removal or emissions of any pollutant which is SO₂
14 or NO_x, the removal or emissions design level with respect
15 to such pollutant shall be the level determined in such
16 analysis.”.

17 (e) CLARIFICATION OF REALLOCATION AUTHOR-
18 ITY.—Section 48A(d)(4) of the Internal Revenue Code of
19 1986 is amended—

20 (1) in subparagraph (A)—

21 (A) by striking “Not later than 6 years
22 after the date of enactment of this section, the”
23 and inserting “The”; and

24 (B) by inserting “and every 6 months
25 thereafter until all credits available under this

1 section have been allowed” after “the date
2 which is 6 years after the date of enactment of
3 this section”;

4 (2) in subparagraph (B)—

5 (A) by striking “may reallocate credits
6 available under clauses (i) and (ii) of paragraph
7 (3)(B)” and inserting “shall reallocate credits
8 remaining available under paragraph (3)”;

9 (B) by striking “or” at the end of clause
10 (i); and

11 (C) by striking clause (ii) and inserting the
12 following:

13 “(ii) any applicant for certification
14 which submitted an accepted application
15 has subsequently failed to satisfy the re-
16 quirements under paragraph (2)(D), or

17 “(iii) any certification made pursuant
18 to paragraph (2) has been revoked pursu-
19 ant to paragraph (2)(E).”; and

20 (3) in subparagraph (C)—

21 (A) by striking “clause (i) or (ii) of para-
22 graph (3)(B)” and inserting “paragraph (3)”;

23 (B) by striking “is authorized to” and in-
24 serting “shall”; and

1 (C) by striking “an additional program”
 2 and inserting “additional programs”.

3 (f) EFFECTIVE DATE.—

4 (1) IN GENERAL.—Except as provided in para-
 5 graph (2), the amendments made by this section
 6 shall apply to allocations and reallocations after the
 7 date of the enactment of this Act.

8 (2) REALLOCATION.—The amendments made
 9 by subsection (e) shall apply to credits remaining
 10 available under section 48A(d)(3) of the Internal
 11 Revenue Code of 1986 on the date of the enactment
 12 of this Act.

13 **TITLE III—AMENDMENTS TO** 14 **OTHER LAWS**

15 **Subtitle A—Amendments to** 16 **Federal Environmental Statutes**

17 **SEC. 301. AMENDMENTS TO THE CLEAN AIR ACT.**

18 (a) IN GENERAL.—Title III of the Clean Air Act (42
 19 U.S.C. 7601) is amended by adding at the end the fol-
 20 lowing:

21 **“SEC. 330. MORATORIUM AGAINST CERTAIN REGULATIONS** 22 **BASED ON GREENHOUSE GAS EFFECTS.**

23 “(a) FUELS.—Unless specifically authorized in sec-
 24 tion 202, 211, 213, 231, or this section, after a fossil fuel
 25 has passed through a point of taxation as provided in sec-

tion 9901(d) of the Internal Revenue Code of 1986, subject to subsection (g), the Administrator shall not issue or enforce any rule limiting the emission of greenhouse gases from the combustion of that fuel under this Act (or impose any requirement on any State to limit such emission) on the basis of the emission’s greenhouse gas effects.

“(b) EMISSIONS.—Unless specifically authorized in section 202, 211, 213, 231, or this section, if emission of any greenhouse gas is subject to taxation pursuant to section 9902 or 9903 of the Internal Revenue Code of 1986, the Administrator shall not issue or enforce any rule limiting such emission under this Act (or impose any requirement on any State to limit such emission) on the basis of the emission’s greenhouse gas effects.

“(c) AUTHORIZED REGULATION.—Notwithstanding subsections (a) and (b), nothing in this section limits the Administrator’s authority pursuant to any other provision of this Act—

“(1) to limit the emission of any greenhouse gas because of any adverse impact on health or welfare other than its greenhouse gas effects;

“(2) in limiting emissions as described in paragraph (1), to consider the collateral benefits of limiting the emissions because of greenhouse gas effects;

1 “(3) to limit the emission of any other pollutant
2 that is not a greenhouse gas that the Administrator
3 determines by rule has heat-trapping properties; or

4 “(4) to take any action with respect to any
5 greenhouse gas other than limiting its emission, in-
6 cluding—

7 “(A) monitoring, reporting, and record-
8 keeping requirements;

9 “(B) conducting or supporting investiga-
10 tions; and

11 “(C) information collection.

12 “(d) EXCEPTION FOR CERTAIN GREENHOUSE GAS
13 EMISSIONS.—Notwithstanding subsections (a) and (b),
14 nothing in this section limits the Administrator’s authority
15 to regulate greenhouse gas emissions from—

16 “(1) facilities that—

17 “(A) are subject to subpart OOOO or
18 OOOOa of part 60 of title 40, Code of Federal
19 Regulations, as in effect on January 1, 2018, or

20 “(B) would be subject to either subpart
21 OOOO or OOOOa if those subparts applied to
22 facilities without regard to the date on which
23 construction, modification, or reconstruction
24 commenced, and

1 “(2) POTW Treatment Plants (as defined in
2 section 403.3(r) of title 40, Code of Federal Regula-
3 tions (as in effect on the date of enactment of this
4 section)).

5 “(e) DEFINITIONS.—In this section, the terms
6 ‘greenhouse gas’ and ‘greenhouse gas effects’ have the
7 meanings given to those terms in section 9907 of the In-
8 ternal Revenue Code of 1986.

9 “(f) MORATORIUM EXPIRATION.—Subsections (a)
10 and (b) shall cease to apply beginning on January 1, 2035.

11 “(g) EXCEPTIONS.—

12 “(1) 2026.—Notwithstanding subsections (a)
13 and (b) of this section and section 211(c)(5) of this
14 Act, if the Administrator determines by March 30,
15 2027, pursuant to the report required by section
16 9901(b)(3)(A) of the Internal Revenue Code of
17 1986, that total greenhouse gas emissions from
18 sources subject to taxation under sections 9901
19 through 9903 of such Code during the period of cal-
20 endar years 2023 through 2026 exceed the emission
21 level specified in section 9901(b)(3)(A) of such Code
22 for calendar year 2026, then beginning on October
23 1, 2027, subsections (a) and (b) shall cease to apply.

24 “(2) 2030.—Notwithstanding subsections (a)
25 and (b) of this section and section 211(c)(5) of this

1 Act, if the Administrator determines by March 30,
2 2031, pursuant to the report required by section
3 9901(b)(3)(A) of the Internal Revenue Code of
4 1986, that total greenhouse gas emissions from
5 sources subject to taxation under sections 9901
6 through 9903 of such Code during the period of cal-
7 endar years 2023 through 2030 exceed the emission
8 level specified in section 9901(b)(3)(A) of such Code
9 for calendar year 2030, then beginning on October
10 1, 2031, subsections (a) and (b) shall cease to
11 apply.”.

12 (b) NEW MOTOR VEHICLES AND NEW MOTOR VEHI-
13 CLE ENGINES.—Section 202(b) of the Clean Air Act (42
14 U.S.C. 7521(b)) is amended—

15 (1) by redesignating the second paragraph (3)
16 (as redesignated by section 230(4)(C) of Public Law
17 101–549 (104 Stat. 2529)) as paragraph (4); and

18 (2) by adding at the end the following:

19 “(5) Notwithstanding section 330(a), the Ad-
20 ministrator may—

21 “(A) limit the emission of any greenhouse
22 gas (as defined in section 9907 of the Internal
23 Revenue Code of 1986) on the basis of the
24 emission’s greenhouse gas effects (as defined in
25 section 9907 of the Internal Revenue Code of

1 1986) from any class or classes of new motor
2 vehicles or new motor vehicle engines subject to
3 regulation under subsection (a)(1); and

4 “(B) grant a waiver under section
5 209(b)(1) for standards for the control of
6 greenhouse gas emissions.”.

7 (c) FUELS.—Section 211(c) of the Clean Air Act (42
8 U.S.C. 7545(c)) is amended by adding at the end the fol-
9 lowing new paragraph:

10 “(5) Except as required in subsection (o), the
11 Administrator shall not, pursuant to this subsection,
12 impose on any manufacturer, processor, or dis-
13 tributor of fuel any requirement for the purpose of
14 reducing the emission of any greenhouse gas (as de-
15 fined in section 9907 of the Internal Revenue Code
16 of 1986) produced by combustion of the fuel on the
17 basis of the emission’s greenhouse gas effects (as de-
18 fined in section 9907 of the Internal Revenue Code
19 of 1986).”.

20 (d) NONROAD ENGINES AND VEHICLES EMISSIONS
21 STANDARDS.—Section 213 of the Clean Air Act (42
22 U.S.C. 7547) is amended by adding at the end the fol-
23 lowing:

24 “(e) GREENHOUSE GAS EMISSIONS.—Notwith-
25 standing subsections (a) and (b) of section 330, the Ad-

1 administrator may limit the emission of any greenhouse gas
 2 (as defined in section 9907 of the Internal Revenue Code
 3 of 1986) on the basis of the emission’s greenhouse gas
 4 effects (as defined in section 9907 of the Internal Revenue
 5 Code of 1986) from any nonroad engines and nonroad ve-
 6 hicles subject to regulation under this section.”.

7 (e) AIRCRAFT EMISSION STANDARDS.—Section 231
 8 of the Clean Air Act (42 U.S.C. 757) is amended by add-
 9 ing at the end the following new subsection:

10 “(d) Notwithstanding subsections (a) and (b) of sec-
 11 tion 330, the Administrator may limit the emission of any
 12 greenhouse gas (as defined in section 9907 of the Internal
 13 Revenue Code of 1986) on the basis of the emission’s
 14 greenhouse gas effects (as defined in section 9907 of the
 15 Internal Revenue Code of 1986) from any class or classes
 16 of aircraft engines, so long as any such limitation is not
 17 more stringent than the standards adopted by the Inter-
 18 national Civil Aviation Organization.”.

19 **SEC. 302. FREQUENT AND CHRONIC FLOODING MITIGATION**
 20 **AND ADAPTATION INFRASTRUCTURE**
 21 **PROJECTS.**

22 (a) IN GENERAL.—The Secretary of Commerce and
 23 the Secretary of the Army (hereinafter referred to as “the
 24 Secretaries”), in consultation with the Secretary of Home-
 25 land Security, may make grants to State and local govern-

1 ments and federally recognized Indian Tribes for frequent
2 and chronic flooding mitigation and adaptation infrastruc-
3 ture projects.

4 (b) AUTHORIZED USES.—Amounts provided as a
5 grant under this section may be used for any of the fol-
6 lowing:

7 (1) Adaptation of existing infrastructure to
8 mitigate impacts of climate change, including en-
9 hancements to both built and natural environments.

10 (2) Maintenance and updating of existing flood
11 risk reduction infrastructure, such as gravity drain-
12 age structures, road elevation, bulkheads, gates, and
13 floodwalls.

14 (3) Increasing resilience to frequent and chronic
15 flooding, including (as combined or separate
16 projects)—

17 (A) the creation of bulkheads, levees, and
18 other hard infrastructure alone or in combina-
19 tion with natural infrastructure described in
20 subparagraph (B); and

21 (B) habitat restoration work, including
22 dune enhancement, vegetative restoration,
23 beach renourishment, coral and oyster reef res-
24 toration, floodplain restoration, and other ac-
25 tions to restore the function of the natural eco-

1 logical function and processes to provide flood
2 risk reduction benefits.

3 (4) Improvements to conveyance, diversion, re-
4 moval, and storage infrastructure to reduce risks
5 caused by frequent and chronic flooding.

6 (5) Innovative methods to reduce risks caused
7 by chronic flooding along street infrastructure sys-
8 tems, including canal streets, absorbent streets,
9 floodable parks, bioswales, rain gardens, permeable
10 pavement, and underground cisterns.

11 (6) Deployment of technologies designed to
12 mitigate power outages, continue delivery of vital
13 electricity services, and maintain the flow of power
14 to facilities critical to public health, safety and wel-
15 fare, including distributed generation, energy stor-
16 age, and microgrids.

17 (c) LIMITATION ON PROJECT ELIGIBILITY.—A
18 project shall not be eligible for funding under this section
19 if it will have any long-term negative impact on important
20 ecological functions and habitat or existing natural protec-
21 tion features and functions.

22 (d) PRIORITY.—In making grants under this section
23 the Secretaries shall give priority to the following:

24 (1) Protecting areas designated as special flood
25 hazard areas for purposes of the national flood in-

1 surance program under the National Flood Insur-
2 ance Act of 1968 (42 U.S.C. 4001 et seq.) and the
3 Flood Disaster Protection Act of 1973 (42 U.S.C.
4 4001 et seq.), hazard areas that incorporate at least
5 2 feet of additional freeboard, or 3 feet in the case
6 of critical infrastructure, above base flood elevation.

7 (2) Protecting critical infrastructure, as that
8 term is defined in section 1016(e) of the USA PA-
9 TRIOT Act of 2001 (42 U.S.C. 5195c(e)).

10 (3) Projects that yield flood risk reduction ben-
11 efits and additional environmental, social, and eco-
12 nomic benefits.

13 (e) JOINT APPLICATION.—Two or more contiguous
14 local governments or Tribes may jointly apply for, and re-
15 ceive, a grant under this section.

16 (f) COST SHARING.—

17 (1) LIMITATION ON FEDERAL SHARE.—The
18 Federal share of the cost of any activity carried out
19 with a grant under this section shall not exceed 90
20 percent of the cost of such activity.

21 (2) NON-FEDERAL SHARE.—The Secretary
22 shall apply to the non-Federal share of an activity
23 carried out with a grant under this section the
24 amount of funds, and the fair market value of prop-

erty and services, provided by non-Federal sources
and used for the activity.

(g) REPORTS.—Each recipient of a grant under this
section shall report annually to the Secretaries on the
progress made on the project carried out with the grant.

SEC. 303. NO PREEMPTION OF STATE LAW.

Nothing in this act shall preempt or supersede, or
be interpreted to preempt or supersede, any State law or
regulation.

Subtitle B—Assistance To Dis-
placed Workers In The Energy
Sector

SEC. 321. ASSISTANCE TO DISPLACED WORKERS IN THE EN-
ERGY SECTOR.

(a) IN GENERAL.—For a period of 10 years after the
enactment of the Modernizing America with Rebuilding to
Kickstart the Economy of the Twenty-first Century with
a Historic Infrastructure-Centered Expansion Act, from
amounts made available under section 202 of this Act, the
Secretary of Labor shall carry out a program to assist
workers in the energy sector.

(b) WORKERS IN THE ENERGY SECTOR.—For pur-
poses of this section, the term “workers in the energy sec-
tor” means—

1 (1) workers in fossil energy sectors that may be
2 displaced as a result of the enactment of this Act;
3 and

4 (2) workers in the nuclear power sector that
5 work at a nuclear power plant—

6 (A) that ceased operation in the two years
7 preceding the date of enactment of this Act; or

8 (B) the owner of which announced prior to
9 the date of enactment of this Act its intent to
10 cease the operation of the plant at a future
11 date.

12 (c) ELIGIBLE ACTIVITIES.—Such assistance may
13 take the form of the following:

14 (1) Worker retraining.

15 (2) Relocation expenses for those who move to
16 find new employment.

17 (3) Early retirement.

18 (4) Health benefits.

19 (5) Block grants to affected communities for
20 economic redevelopment and infrastructure invest-
21 ments.

22 (6) Transfers to the trustees of the 1974
23 United Mine Workers of America Pension Plan to
24 pay benefits required under that plan. No such
25 transfer shall be made in a first fiscal year begin-

1 ning after a plan year for which the funded percent-
2 age (as defined in section 432(j)(2) of the Internal
3 Revenue Code of 1986) of the 1974 United Mine
4 Workers of America Pension Plan is at least 100
5 percent.

6 **TITLE IV—NATIONAL CLIMATE**
7 **COMMISSION**

8 **SEC. 401. ESTABLISHMENT OF COMMISSION.**

9 (a) ESTABLISHMENT.—There is established a bipar-
10 tisan commission to be known as the “National Climate
11 Commission” (in this title referred to as the “Commis-
12 sion”).

13 (b) MEMBERSHIP.—

14 (1) COMPOSITION.—The Commission shall be
15 composed of 10 members, appointed as follows:

16 (A) One cochair appointed by the Presi-
17 dent.

18 (B) One cochair appointed by the majority
19 or minority leader of the Senate, whoever is of
20 the opposite party as the President, in consulta-
21 tion with the Speaker or minority leader of the
22 House of Representatives, whoever is of the op-
23 posite party as the President.

24 (C) Two members appointed by the major-
25 ity leader of the Senate.

1 (D) Two members appointed by the minor-
 2 ity leader of the Senate.

3 (E) Two members appointed by the Speak-
 4 er of the House of Representatives.

5 (F) Two members appointed by the minor-
 6 ity leader of the House of Representatives.

7 (2) QUALIFICATIONS.—

8 (A) IN GENERAL.—To be considered for
 9 membership on the Commission, an individual
 10 shall demonstrate expertise in the economy, en-
 11 ergy, climate, or public health, and be a rep-
 12 resentative from—

13 (i) an academic, scientific, or other
 14 non-governmental organization; or

15 (ii) an industry organization or small
 16 business in a relevant sector such as—

17 (I) energy supply and trans-
 18 mission, including fossil fuels and re-
 19 newable energy;

20 (II) energy exploration and pro-
 21 duction, including fossil fuels and re-
 22 newable energy;

23 (III) solid waste and wastewater;

24 (IV) transportation;

25 (V) chemical manufacturing;

- 1 (VI) agriculture;
2 (VII) construction; and
3 (VIII) forestry.

4 (B) CERTAIN PERSONS INELIGIBLE.—No
5 employee, owner, director, or other person affili-
6 ated with an entity that has donated funding
7 for the activities of the Commission pursuant to
8 section 404(a) may be appointed to the Com-
9 mission.

10 (C) APPOINTMENT DEADLINE.—Members
11 of the Commission shall be appointed not later
12 than 180 days after the date of the enactment
13 of this Act.

14 (D) PERIOD OF APPOINTMENT.—Members
15 of the Commission shall be appointed for a
16 term of 6 years, which may be renewed.

17 (E) VACANCY.—A vacancy in the Commis-
18 sion shall not affect the powers of the Commis-
19 sion and shall be filled in the same manner in
20 which the original appointment was made.

21 (3) COMPENSATION OF EMPLOYEES.—Each
22 member of the Commission may be compensated at
23 a rate not to exceed the daily equivalent of the an-
24 nual rate of basic pay in effect for a position at level
25 IV of the Executive Schedule under section 5315 of

1 title 5, United States Code, for each day during
2 which that member is engaged in the performance of
3 the duties of the Commission.

4 (4) TRAVEL EXPENSES.—Each member shall
5 receive travel expenses to perform the duties of the
6 Commission, including per diem in lieu of subsist-
7 ence, at rates authorized under subchapter I of
8 chapter 57 of title 5, United States Code.

9 (c) MEETINGS.—

10 (1) INITIAL MEETING.—The Commission shall
11 hold its first meeting not later than 2 years after the
12 date of enactment of this Act.

13 (2) MEETING.—The Commission shall meet not
14 less than once every 3 years.

15 (3) QUORUM.—Six members of the Commission
16 shall constitute a quorum.

17 **SEC. 402. DUTIES OF COMMISSION.**

18 (a) GOALS.—The Commission shall set goals for
19 emissions reduction to be achieved by 2027 and every five
20 years thereafter through 2052, using such estimated rates
21 of reduction as the Commission determines reflect the lat-
22 est scientific findings of what is necessary to avoid the
23 serious human health and environmental consequences of
24 climate change.

1 (b) REVIEW.—The Commission shall assess the effect
2 of existing policies and programs of the Federal govern-
3 ment with the aim of achieving the emissions reduction
4 goals in subsection (a).

5 (c) REPORT.—Beginning in 2028, and every 5 years
6 thereafter, the Commission shall issue a report to the
7 President, Congress, and the States, which shall include—

8 (1) an analysis of whether the policies and pro-
9 grams assessed under subsection (b) are on pace to
10 achieving the emissions reduction goals set under
11 subsection (a);

12 (2) recommendations, if any, for reducing
13 greenhouse gas emissions; and

14 (3) a minority report with dissenting views, if
15 applicable.

16 **SEC. 403. POWERS OF COMMISSION.**

17 (a) OBTAINING OFFICIAL DATA.—

18 (1) IN GENERAL.—The Commission may secure
19 directly from any executive department, bureau,
20 agency, board, commission, office, independent es-
21 tablishment, or instrumentality of the Government,
22 unrestricted information, suggestions, estimates, and
23 statistics for the purpose of carrying out this title.
24 Each department, bureau, agency, board, commis-
25 sion, office, independent establishment, or instru-

1 mentality shall, to the extent authorized by provi-
2 sions of law other than this section, furnish such un-
3 restricted information, suggestions, estimates, and
4 statistics directly to the Commission, upon request
5 made by a cochair or any member designated by a
6 majority of the Commission.

7 (2) RECEIPT, HANDLING, STORAGE, AND DIS-
8 SEMINATION.—Unrestricted information provided to
9 the Commission under paragraph (1) shall be re-
10 ceived, handled, stored, and disseminated only by
11 members and staff of the Commission, consistent
12 with any applicable statutes, regulations, or Execu-
13 tive orders.

14 (b) ASSISTANCE FROM FEDERAL AGENCIES.—

15 (1) GENERAL SERVICES ADMINISTRATION.—
16 The Administrator of General Services shall provide
17 to the Commission, on a reimbursable basis, admin-
18 istrative support and other services for the perform-
19 ance of the functions of the Commission.

20 (2) OTHER DEPARTMENTS AND AGENCIES.—In
21 addition to the assistance prescribed in paragraph
22 (1), departments and agencies of the United States
23 may provide to the Commission such services, funds,
24 facilities, staff, and other support services as they

1 may determine advisable and as may be authorized
2 by law.

3 (c) POSTAL SERVICES.—The Commission may use
4 the United States mail in the same manner and under the
5 same conditions as other departments and agencies of the
6 United States.

7 **SEC. 404. FUNDING FOR THE ACTIVITIES OF THE COMMIS-**
8 **SION.**

9 (a) PRIVATE SECTOR DONATIONS.—The Secretary of
10 Commerce may collect private sector donations for the
11 purpose of carrying out this title, to be deposited in the
12 Treasury and made available consistent with the author-
13 ization of appropriations in subsection (c).

14 (b) TRANSPARENCY.—The amounts and sources of
15 all funds donated under subsection (a) and all spending
16 by the Commission shall be made publicly available on the
17 website of the Commission.

18 (c) AUTHORIZATION OF APPROPRIATIONS.—There is
19 authorized to be appropriated to the Commission, for the
20 purpose of carrying out the activities of this title,
21 \$5,000,000 for each of fiscal years 2023 through 2032.

22 **SEC. 405. STAFF OF THE COMMISSION.**

23 (a) DETAIL OF GOVERNMENT EMPLOYEES.—Any
24 Federal Government employee may be detailed to the
25 Commission without reimbursement from the Commission,

1 and such detail shall be without interruption or loss of
2 civil service status or privilege.

3 (b) EXPERT AND CONSULTANT SERVICES.—The
4 Commission may procure the services of experts and con-
5 sultants in accordance with section 3109 of title 5, United
6 States Code, at rates not to exceed the daily equivalent
7 of the annual rate of basic pay in effect for a position
8 at level IV of the Executive Schedule under section 5315
9 of title 5, United States Code.

○