

117TH CONGRESS
2D SESSION

H. R. 7103

To amend the Internal Revenue Code of 1986 to establish an excise tax on the profits of oil companies and distribute them as a dividend to taxpayers, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 16, 2022

Mr. SEAN PATRICK MALONEY of New York introduced the following bill;
which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to establish an excise tax on the profits of oil companies and distribute them as a dividend to taxpayers, 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 “Stop Profiting Off
5 Putin’s War Act”.

6 **SEC. 2. CRUDE OIL PROFIT TAX.**

7 (a) IN GENERAL.—Subtitle E of the Internal Rev-
8 enue Code of 1986 (relating to alcohol, tobacco, and cer-

tain other excise taxes) is amended by adding at the end thereof the following new chapter:

“CHAPTER 56—PROFIT ON CRUDE OIL

“Sec. 5896. Imposition of tax.

“Sec. 5897. Applicable profit.

“Sec. 5898. Special rules and definitions.

“SEC. 5896. IMPOSITION OF TAX.

“(a) IN GENERAL.—In addition to any other tax imposed under this title, there is hereby imposed on any applicable taxpayer an excise tax in an amount equal to 50 percent of the applicable profit of such taxpayer.

“(b) APPLICABLE TAXPAYER.—For purposes of this chapter, the term ‘applicable taxpayer’ means any major integrated oil company (as defined in section 167(h)(5)(B), applied by substituting ‘\$500,000,000’ for ‘\$1,000,000,000’ in clause (ii) thereof).

“(c) SPECIAL RULE FOR CERTAIN PRICE HIKES.—If the Secretary, after consultation with the Secretary of Energy and the Chair of the Federal Trade Commission, determines that an applicable taxpayer has raised prices as a result of the tax under subsection (a), such subsection shall be applied by substituting ‘75 percent’ for ‘50 percent’.

“(d) TERMINATION.—No tax shall be imposed under this section after December 31, 2023.

1 **“SEC. 5897. APPLICABLE PROFIT.**

2 “(a) GENERAL RULE.—For purposes of this chapter,
3 the term ‘applicable profit’ means, with respect to a tax-
4 able year, the adjusted taxable income of the applicable
5 taxpayer for any calendar quarter in which the national
6 average price of unleaded gasoline is equal to or greater
7 than the national average price of unleaded gasoline on
8 February 24, 2022.

9 “(b) ADJUSTED TAXABLE INCOME.—For purposes of
10 this chapter, with respect to any applicable taxpayer, the
11 term ‘adjustable taxable income’ means the taxable income
12 of the taxpayer—

13 “(1) increased by—

14 “(A) the amount of any bonuses to execu-
15 tive officers, and

16 “(B) the amount of any stock buybacks,
17 and

18 “(2) reduced by—

19 “(A) the amount of any net operating loss
20 deduction under section 172, and

21 “(B) any deduction allowable for deprecia-
22 tion, amortization, or depletion.

23 In the case of any applicable taxpayer which is a foreign
24 corporation, the adjusted taxable income shall be deter-
25 mined with respect to such income which is effectively con-

1 nected with the conduct of a trade or business in the
2 United States.

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

4 “(a) WITHHOLDING AND DEPOSIT OF TAX.—The
5 Secretary shall provide such rules as are necessary for the
6 withholding and deposit of the tax imposed under section
7 5896.

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

12 “(c) RETURN OF APPLICABLE PROFIT TAX.—The
13 Secretary shall provide for the filing and the time of such
14 filing of the return of the tax imposed under section 5896.

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

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

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

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

“CHAPTER 56. PROFIT ON CRUDE OIL.”.

7 (c) DEDUCTIBILITY OF APPLICABLE PROFIT TAX.—
8 The first sentence of section 164(a) of the Internal Rev-
9 enue Code of 1986 (relating to deduction for taxes) is
10 amended by inserting after paragraph (5) the following
11 new paragraph:

12 “(6) The applicable profit tax imposed by sec-
13 tion 5896.”.

14 (d) EFFECTIVE DATE.—The amendments made by
15 this section shall apply to taxable years beginning after
16 December 31, 2021.

17 **SEC. 3. GASOLINE PRICE REBATES.**

18 (a) IN GENERAL.—In the case of an eligible indi-
19 vidual, there shall be allowed as a credit against the tax
20 imposed by subtitle A for each taxable year beginning
21 after the date of the enactment of the Stop Profiting Off
22 Putin’s War Act, an amount equal to the sum of the gaso-
23 line price rebate amount for calendar quarters beginning
24 in such taxable year.

1 (b) GASOLINE PRICE REBATE AMOUNT.—For pur-
2 poses of this section—

3 (1) IN GENERAL.—The term “gasoline price re-
4 bate amount” means, with respect to any taxpayer
5 for any calendar quarter beginning in a taxable year,
6 an amount determined by the Secretary not later
7 than 30 days after the end of such calendar quarter
8 taking into account the number of eligible individ-
9 uals and the amount of revenues in the Gas Profit
10 Recovery Fund resulting from the tax imposed by
11 section 5896 for the preceding calendar quarter.

12 (2) SPECIAL RULE FOR JOINT RETURNS.—In
13 the case of an eligible individual filing a joint return,
14 the gasoline price rebate amount shall be 150 per-
15 cent of the amount determined under paragraph (1)
16 with respect to other taxpayers.

17 (3) LIMITATION BASED ON ADJUSTED GROSS
18 INCOME.—The amount of the credit allowed by sub-
19 section (a) (determined without regard to this sub-
20 section and subsection (e)) shall be reduced (but not
21 below zero) by 5 percent of so much of the eligible
22 individual’s adjusted gross income as exceeds—

23 (A) \$200,000 in the case of a joint return,

24 (B) \$150,000 in the case of a head of
25 household, and

1 (C) \$100,000 in any other case.

2 (c) ELIGIBLE INDIVIDUAL.—For purposes of this sec-
3 tion, the term “eligible individual” means any individual
4 other than—

5 (1) any nonresident alien individual,

6 (2) any individual who is a dependent of an-
7 other taxpayer for a taxable year beginning in the
8 calendar year in which the individual’s taxable year
9 begins, and

10 (3) an estate or trust.

11 (d) DEFINITIONS AND SPECIAL RULES.—

12 (1) DEPENDENT DEFINED.—For purposes of
13 this section, the term “dependent” has the meaning
14 given such term by section 152.

15 (2) IDENTIFICATION NUMBER REQUIREMENT.—

16 (A) IN GENERAL.—In the case of a return
17 other than a joint return, the gasoline price re-
18 bate amount in subsection (b)(1) shall be treat-
19 ed as being zero unless the taxpayer includes
20 the valid identification number of the taxpayer
21 on the return of tax for the taxable year.

22 (B) JOINT RETURNS.—In the case of a
23 joint return, the gasoline price rebate amount
24 in subsection (b)(1) shall be treated as being—

1 (i) 50 percent of the amount other-
2 wise determined without regard to this
3 paragraph if the valid identification num-
4 ber of only 1 spouse is included on the re-
5 turn of tax for the taxable year, and

6 (ii) zero if the valid identification
7 number of neither spouse is so included.

8 (C) VALID IDENTIFICATION NUMBER.—

9 For purposes of this paragraph, the term “valid
10 identification number” means a social security
11 number issued to an individual by the Social
12 Security Administration on or before the due
13 date for filing the return for the taxable year.

14 (D) SPECIAL RULE FOR MEMBERS OF THE

15 ARMED FORCES.—Subparagraph (B) shall not
16 apply in the case where at least 1 spouse was
17 a member of the Armed Forces of the United
18 States at any time during the taxable year and
19 the valid identification number of at least 1
20 spouse is included on the return of tax for the
21 taxable year.

22 (E) COORDINATION WITH CERTAIN AD-

23 VANCE PAYMENTS.—In the case of any payment
24 determined pursuant to subsection (f)(6), a
25 valid identification number shall be treated for

1 purposes of this paragraph as included on the
2 taxpayer's return of tax if such valid identifica-
3 tion number is available to the Secretary as de-
4 scribed in such subsection.

5 (F) MATHEMATICAL OR CLERICAL ERROR
6 AUTHORITY.—Any omission of a correct valid
7 identification number required under this para-
8 graph shall be treated as a mathematical or
9 clerical error for purposes of applying section
10 6213(g)(2) to such omission.

11 (3) CREDIT TREATED AS REFUNDABLE.—The
12 credit allowed by subsection (a) shall be treated as
13 allowed by subpart C of part IV of subchapter A of
14 chapter 1.

15 (e) COORDINATION WITH ADVANCE REFUNDS OF
16 CREDIT.—

17 (1) REDUCTION OF REFUNDABLE CREDIT.—

18 The amount of the credit which would (but for this
19 paragraph) be allowable under subsection (a) for any
20 taxable year shall be reduced (but not below zero) by
21 the aggregate refunds and credits made or allowed
22 to the taxpayer (or, except as otherwise provided by
23 the Secretary, any dependent of the taxpayer) under
24 subsection (f) for such taxable year. Any failure to
25 so reduce the credit shall be treated as arising out

1 of a mathematical or clerical error and assessed ac-
2 cording to section 6213(b)(1).

3 (2) JOINT RETURNS.—Except as otherwise pro-
4 vided by the Secretary, in the case of a refund or
5 credit made or allowed under subsection (f) with re-
6 spect to a joint return, half of such refund or credit
7 shall be treated as having been made or allowed to
8 each individual filing such return.

9 (f) ADVANCE REFUNDS AND CREDITS.—

10 (1) IN GENERAL.—Subject to paragraphs (5)
11 and (6), for any rebate taxable year, each individual
12 who was an eligible individual for the applicable tax-
13 able year shall be treated as having made a payment
14 against the tax imposed by chapter 1 for such appli-
15 cable taxable year in an amount equal to advance re-
16 fund amount for such rebate taxable year.

17 (2) ADVANCE REFUND AMOUNT.—

18 (A) IN GENERAL.—For purposes of para-
19 graph (1), the advance refund amount for any
20 rebate taxable year is the amount that would
21 allowed as a credit under this section for the
22 applicable taxable year if this section (other
23 than subsection (e) and this subsection) were
24 applied to such applicable taxable year (without
25 regard to any effective date) using the gasoline

1 price rebate amount for the refund taxable
2 year.

3 (B) TREATMENT OF DECEASED INDIVID-
4 UALS.—For purposes of determining the ad-
5 vanced refund amount—

6 (i) any individual who was deceased
7 before the first day of the rebate taxable
8 year shall be treated for purposes of apply-
9 ing subsection (d)(2) in the same manner
10 as if the valid identification number of
11 such person was not included on the return
12 of tax for the applicable taxable year (ex-
13 cept that subparagraph (D) thereof shall
14 not apply), and

15 (ii) notwithstanding clause (i), in the
16 case of a joint return with respect to which
17 only 1 spouse is deceased before the first
18 day of the rebate taxable year, such de-
19 ceased spouse was a member of the Armed
20 Forces of the United States at any time
21 during the applicable taxable year, and the
22 valid identification number of such de-
23 ceased spouse is included on the return of
24 tax for the applicable taxable year, the
25 valid identification number of 1 (and only

1 1) spouse shall be treated as included on
2 the return of tax for the applicable taxable
3 year for purposes of applying subsection
4 (d)(2)(B) with respect to such joint return.

5 (3) TIMING AND MANNER OF PAYMENTS.—The
6 Secretary shall, subject to the provisions of this title,
7 refund or credit any overpayment attributable to this
8 section and determined with respect to any calendar
9 quarter not later than 90 days after the end of such
10 calendar quarter. No refund or credit shall be made
11 or allowed under this subsection after December 31,
12 2023.

13 (4) NO INTEREST.—No interest shall be allowed
14 on any overpayment attributable to this subsection.

15 (5) APPLICATION TO INDIVIDUALS WHO HAVE
16 FILED A RETURN OF TAX FOR THE YEAR AFTER
17 THE APPLICABLE TAXABLE YEAR.—

18 (A) APPLICATION TO RETURNS FILED AT
19 TIME OF INITIAL DETERMINATION.—If, at the
20 time of any determination made pursuant to
21 paragraph (3), the individual referred to in
22 paragraph (1) has filed a return of tax for the
23 individual's first taxable year beginning after
24 the applicable taxable year, paragraph (1) shall
25 be applied with respect to such individual by

1 substituting “taxable year following the applica-
2 ble taxable year” for “applicable taxable year”.

3 (B) ADDITIONAL PAYMENT.—

4 (i) IN GENERAL.—In the case of any
5 individual who files, before the additional
6 payment determination date, a return of
7 tax for such individual’s first taxable year
8 beginning after the applicable taxable year,
9 the Secretary shall make a payment (in ad-
10 dition to any payment made under para-
11 graph (1)) to such individual equal to the
12 excess (if any) of—

13 (I) the amount which would be
14 determined under paragraph (1)
15 (after the application of subparagraph
16 (A)) by applying paragraph (1) as of
17 the additional payment determination
18 date, over

19 (II) the amount of any payment
20 made with respect to such individual
21 under paragraph (1).

22 (ii) ADDITIONAL PAYMENT DETER-
23 MINATION DATE.—The term “additional
24 payment determination date” means the
25 earlier of—

1 (I) the date which is 90 days
2 after the date specified in section
3 6072(a) with respect to returns for
4 the taxable year following the applica-
5 ble taxable year (determined after
6 taking into account any period dis-
7 regarded under section 7508A if such
8 disregard applies to substantially all
9 returns for such taxable year), or
10 (II) September 1 of the calendar
11 year following the applicable taxable
12 year.

13 (6) APPLICATION TO CERTAIN INDIVIDUALS
14 WHO HAVE NOT FILED A RETURN OF TAX FOR THE
15 PRECEDING TWO YEARS.—In the case of any indi-
16 vidual who, at the time of any determination made
17 pursuant to paragraph (3), has filed a tax return for
18 neither the applicable taxable year nor for the year
19 following the applicable taxable year, the Secretary
20 shall, consistent with rules similar to the rules of
21 section 6428A(f)(5)(H)(i), apply paragraph (1) on
22 the basis of information available to the Secretary
23 and shall, on the basis of such information, deter-
24 mine the advance refund amount with respect to
25 such individual without regard to subsection (b)(2)

1 unless the Secretary has reason to know that such
2 amount would otherwise be reduced by reason of
3 such subsection.

4 (7) SPECIAL RULE RELATED TO TIME OF FIL-
5 ING RETURN.—Solely for purposes of this sub-
6 section, a return of tax shall not be treated as filed
7 until such return has been processed by the Internal
8 Revenue Service.

9 (8) APPLICABLE TAXABLE YEAR; REBATE TAX-
10 ABLE YEAR.—For purposes of this subsection—

11 (A) REBATE TAXABLE YEAR.—The term
12 “rebate taxable year” means the taxable year
13 for which a credit is allowed under this section.

14 (B) APPLICABLE TAXABLE YEAR.—The
15 term “applicable taxable year” means the sec-
16 ond taxable year preceding the rebate taxable
17 year.

18 (g) REGULATIONS.—The Secretary shall prescribe
19 such regulations or other guidance as may be necessary
20 or appropriate to carry out the purposes of this section,
21 including—

22 (1) regulations or other guidance providing tax-
23 payers the opportunity to provide the Secretary in-
24 formation sufficient to allow the Secretary to make
25 payments to such taxpayers under subsection (f) (in-

1 including the determination of the amount of such
2 payment) if such information is not otherwise avail-
3 able to the Secretary, and

4 (2) regulations or other guidance to ensure to
5 the maximum extent administratively practicable
6 that, in determining the amount of any credit under
7 subsection (a) and any credit or refund under sub-
8 section (f), an individual is not taken into account
9 more than once, including by different taxpayers and
10 including by reason of a change in joint return sta-
11 tus or dependent status between the taxable year for
12 which an advance refund amount is determined and
13 the taxable year for which a credit under subsection
14 (a) is determined.

15 (h) OUTREACH.—The Secretary shall carry out a ro-
16 bust and comprehensive outreach program to ensure that
17 all taxpayers described in subsection (g)(1) learn of their
18 eligibility for the advance refunds and credits under sub-
19 section (f); are advised of the opportunity to receive such
20 advance refunds and credits as provided under subsection
21 (g)(1); and are provided assistance in applying for such
22 advance refunds and credits.

1 **SEC. 4. GAS PROFIT RECOVERY 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. GAS PROFIT RECOVERY 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 ‘Gas Profit Recovery
9 Fund’, consisting of such amounts as may be appropriated
10 or credited to such trust fund as provided for in this sec-
11 tion and section 9602(b).

12 “(b) TRANSFERS TO THE GAS PROFIT RECOVERY
13 FUND.—There are hereby appropriated to the Gas Profit
14 Recovery Fund amounts equivalent to the taxes received
15 in the Treasury under section 5896.

16 “(c) USE OF FUNDS.—The Secretary shall pay from
17 time to time from the Gas Profit Recovery Fund to the
18 general fund of the Treasury amounts equal to the
19 amounts of refunds provided under section 6433.”.

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

“Sec. 9512. Gas Profit Recovery Fund.”.

