

111<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 1482

To amend the Internal Revenue Code of 1986 to impose a windfall profit tax on oil and natural gas (and products thereof) and to appropriate the proceeds for the Low-Income Home Energy Assistance Program.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 12, 2009

Mr. KANJORSKI introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Appropriations, 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

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## A BILL

To amend the Internal Revenue Code of 1986 to impose a windfall profit tax on oil and natural gas (and products thereof) and to appropriate the proceeds for the Low-Income Home Energy Assistance Program.

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 “Consumer Reasonable  
5 Energy Price Protection Act of 2009”.

1 **SEC. 2. WINDFALL PROFITS TAX.**

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

6 **“CHAPTER 56—WINDFALL PROFIT ON**  
 7 **CRUDE OIL, NATURAL GAS, AND PROD-**  
 8 **UCTS THEREOF**

“Sec. 5896. Imposition of tax.

9 **“SEC. 5896. IMPOSITION OF TAX.**

10 “(a) IN GENERAL.—In addition to any other tax im-  
 11 posed under this title, there is hereby imposed an excise  
 12 tax on the sale in the United States of any crude oil, nat-  
 13 ural gas, or other taxable product a tax equal to the appli-  
 14 cable percentage of the windfall profit on such sale.

15 “(b) DEFINITIONS.—For purposes of this section—

16 “(1) TAXABLE PRODUCT.—The term ‘taxable  
 17 product’ means any fuel which is a product of crude  
 18 oil or natural gas.

19 “(2) WINDFALL PROFIT.—The term ‘windfall  
 20 profit’ means, with respect to any sale, so much of  
 21 the profit on such sale as exceeds a reasonable prof-  
 22 it.

23 “(3) APPLICABLE PERCENTAGE.—The term  
 24 ‘applicable percentage’ means—

1           “(A) 50 percent to the extent that the  
2 profit on the sale exceeds 100 percent of the  
3 reasonable profit on the sale but does not ex-  
4 ceed 102 percent of the reasonable profit on the  
5 sale,

6           “(B) 75 percent to the extent that the  
7 profit on the sale exceeds 102 percent of the  
8 reasonable profit on the sale but does not ex-  
9 ceed 105 percent of the reasonable profit on the  
10 sale, and

11           “(C) 100 percent to the extent that the  
12 profit on the sale exceeds 105 percent of the  
13 reasonable profit on the sale.

14           “(4) REASONABLE PROFIT.—The term ‘reason-  
15 able profit’ means the amount determined by the  
16 Reasonable Profits Board to be a reasonable profit  
17 on the sale.

18           “(c) LIABILITY FOR PAYMENT OF TAX.—The taxes  
19 imposed by subsection (a) shall be paid by the seller.”.

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

“CHAPTER 56. WINDFALL PROFIT ON CRUDE OIL AND REFINED  
PETROLEUM PRODUCTS.”.

1 (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall take effect on the date of the enactment  
3 of this Act.

4 **SEC. 3. REASONABLE PROFITS BOARD.**

5 (a) ESTABLISHMENT.—There is established an inde-  
6 pendent board to be known as the “Reasonable Profits  
7 Board” (hereafter in this section referred to as the  
8 “Board”).

9 (b) DUTIES.—The Board shall make reasonable prof-  
10 it determinations for purposes of applying section 5896  
11 of the Internal Revenue Code of 1986 (relating to windfall  
12 profit on crude oil, natural gas, and products thereof).

13 (c) ADVISORY COMMITTEE.—The Board shall be con-  
14 sidered an advisory committee within the meaning of the  
15 Federal Advisory Committee Act (5 U.S.C. App.).

16 (d) APPOINTMENT.—

17 (1) MEMBERS.—The Board shall be composed  
18 of 3 members appointed by the President of the  
19 United States.

20 (2) TERM.—Members of the Board shall be ap-  
21 pointed for a term of 3 years.

22 (3) BACKGROUND.—The members shall have no  
23 financial interests in any of the businesses for which  
24 reasonable profits are determined by the Board.

25 (e) PAY AND TRAVEL EXPENSES.—

1           (1) PAY.—Notwithstanding section 7 of the  
2           Federal Advisory Committee Act (5 U.S.C. App.),  
3           members of the Board shall be paid at a rate equal  
4           to the daily equivalent of the minimum annual rate  
5           of basic pay for level IV of the Executive Schedule  
6           under section 5315 of title 5, United States Code,  
7           for each day (including travel time) during which the  
8           member is engaged in the actual performance of du-  
9           ties vested in the Board.

10           (2) TRAVEL EXPENSES.—Members shall receive  
11           travel expenses, including per diem in lieu of subsist-  
12           ence, in accordance with section 5702 and 5703 of  
13           title 5, United States Code.

14           (f) DIRECTOR OF STAFF.—

15           (1) QUALIFICATIONS.—The Board shall appoint  
16           a Director who has no financial interests in any of  
17           the businesses for which reasonable profits are de-  
18           termined by the Board.

19           (2) PAY.—Notwithstanding section 7 of the  
20           Federal Advisory Committee Act (5 U.S.C. App.),  
21           the Director shall be paid at the rate of basic pay  
22           payable for level IV of the Executive Schedule under  
23           section 5315 of title 5, United States Code.

24           (g) STAFF.—

1           (1) ADDITIONAL PERSONNEL.—The Director,  
2           with the approval of the Board, may appoint and fix  
3           the pay of additional personnel.

4           (2) APPOINTMENTS.—The Director may make  
5           such appointments without regard to the provisions  
6           of title 5, United States Code, governing appoint-  
7           ments in the competitive service, and any personnel  
8           so appointed may be paid without regard to the pro-  
9           visions of chapter 51 and subchapter III of chapter  
10          53 of that title relating to classification and General  
11          Schedule pay rates.

12          (3) DETAILEES.—Upon the request of the Di-  
13          rector, the head of any Federal department or agen-  
14          cy may detail any of the personnel of that depart-  
15          ment or agency to the Board to assist the Board in  
16          accordance with an agreement entered into with the  
17          Board.

18          (4) ASSISTANCE.—The Comptroller General of  
19          the United States may provide assistance, including  
20          the detailing of employees, to the Board in accord-  
21          ance with an agreement entered into with the Board.

22          (h) OTHER AUTHORITY.—

23                 (1) EXPERTS AND CONSULTANTS.—The Board  
24                 may procure by contract, to the extent funds are  
25                 available, the temporary or intermittent services of

1 experts or consultants pursuant to section 3109 of  
2 title 5, United States Code.

3 (2) LEASING.—The Board may lease space and  
4 acquire personal property to the extent that funds  
5 are available.

6 (i) FUNDING.—There are authorized to be appro-  
7 priated such funds as are necessary to carry out this sec-  
8 tion.

9 **SEC. 4. LOW-INCOME HOME ENERGY ASSISTANCE PRO-**  
10 **GRAM.**

11 In addition to amounts appropriated pursuant to sec-  
12 tion 2602 of the Low-Income Home Energy Assistance  
13 Act of 1981 (42 U.S.C. 8621), there are hereby appro-  
14 priated to the Secretary of Health and Human Services  
15 amounts equivalent to the taxes received in the Treasury  
16 under section 5896 of the Internal Revenue Code of 1986.  
17 Amounts appropriated under the preceding sentence shall  
18 be available for allocation under section 2604(a)(1)(A) of  
19 such Act (42 U.S.C. 8623(a)(1)(A)).

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