

116TH CONGRESS
1ST SESSION

S. 1128

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

IN THE SENATE OF THE UNITED STATES

APRIL 10, 2019

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

A BILL

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

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “American Opportunity
5 Carbon Fee Act of 2019”.

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

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

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

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

“Sec. 4691. Fee for carbon dioxide emissions.

“Sec. 4692. Fee on fluorinated greenhouse gases.

“Sec. 4693. Fee on facilities that emit greenhouse gases.

“Sec. 4694. Associated emissions.

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

“Sec. 4696. Definitions and other rules.

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

12 **“(a) IN GENERAL.—**

13 **“(1) FOSSIL FUEL PRODUCTS PRODUCING CAR-**
 14 **BON EMISSIONS.—**There is hereby imposed a fee in
 15 an amount equal to the applicable amount at the
 16 rate specified in paragraph (2) on—

17 **“(A) coal—**

18 **“(i) removed from any mine in the**
 19 **United States, or**

20 **“(ii) entered into the United States**
 21 **for consumption, use, or warehousing,**

22 **“(B) petroleum products—**

1 “(i) removed from any refinery,
2 “(ii) removed from any terminal, or
3 “(iii) entered into the United States
4 for consumption, use, or warehousing, and
5 “(C) natural gas—

6 “(i) entered into any processor, or
7 “(ii) entered into the United States
8 for consumption, use, or warehousing.

9 “(2) RATE.—The rate specified in this para-
10 graph with respect to any product described in para-
11 graph (1) is an amount equal to the applicable
12 amount per ton of carbon dioxide that would be
13 emitted through the combustion of such product (as
14 determined by the Secretary, in consultation with
15 the Secretary of Energy and the Administrator of
16 the Environmental Protection Agency).

17 “(b) APPLICABLE AMOUNT.—

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

20 “(A) for calendar year 2020, \$52,

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

1 “(i) the product of the amount in ef-
 2 fect under this subparagraph for the pre-
 3 ceding calendar year and 106 percent, and

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

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

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

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

14 “(2) INFLATION ADJUSTMENT AMOUNT.—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

12 “(D) REQUIREMENTS.—

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

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

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

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

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

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

1 methods and manners for the utilization of
 2 qualified carbon dioxide under subpara-
 3 graph (A)(iii)(II), including the utilization
 4 of captured carbon dioxide for enhanced oil
 5 or gas recovery and the production of sub-
 6 stances such as plastics, biofuels, algae,
 7 and chemicals. Such regulations shall pro-
 8 vide for the minimization of the escape or
 9 further emission of the qualified carbon di-
 10 oxide into the atmosphere.

11 “(E) QUALIFIED CARBON DIOXIDE; QUALI-
 12 FIED FACILITY.—For purposes of this para-
 13 graph—

14 “(i) QUALIFIED CARBON DIOXIDE.—

15 “(I) IN GENERAL.—The term
 16 ‘qualified carbon dioxide’ means car-
 17 bon dioxide captured from an indus-
 18 trial source which—

19 “(aa) would otherwise be re-
 20 leased into the atmosphere as in-
 21 dustrial emission of greenhouse
 22 gas, and

23 “(bb) is measured at the
 24 source of capture and verified at

the point of disposal, injection, or utilization.

“(II) RECYCLED CARBON DIOXIDE.—The term ‘qualified carbon dioxide’ includes the initial deposit of captured carbon dioxide used as a tertiary injectant. Such term does not include carbon dioxide that is recaptured, recycled, and re-injected as part of the enhanced oil and natural gas recovery process.

“(ii) QUALIFIED FACILITY.—The term ‘qualified facility’ means any industrial facility—

“(I) which is owned by the taxpayer, and

“(II) at which carbon capture equipment is placed in service.

“(2) MANUFACTURE OF CERTAIN GOODS.—In the case of a person who uses any coal, petroleum product, or natural gas for which a fee has been imposed under subsection (a)(1) as an input for a manufactured good that encapsulates carbon dioxide in a manner such that it does not result in the direct emission of carbon dioxide in the manufacturing or

1 subsequent use of such good, a refund shall be al-
2 lowed to such person in the same manner as if it
3 were an overpayment of the fee imposed by such sec-
4 tion in an amount that is equal to the product of—

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

8 “(B) the total tons of carbon dioxide that
9 would have otherwise been emitted through the
10 combustion of such product.

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

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

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

1 “(1) produced at a fluorinated greenhouse gas
2 production facility, or

3 “(2) imported into the United States by a
4 fluorinated greenhouse gas importer.

5 “(b) AMOUNT OF FEE.—The amount of fee imposed
6 by subsection (a) shall be equal to the applicable percent-
7 age (as defined in subsection (c)(4)) of the applicable
8 amount determined under section 4691(b) per ton of car-
9 bon dioxide equivalent produced or imported.

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

11 “(1) FLUORINATED GREENHOUSE GASES.—The
12 term ‘fluorinated greenhouse gases’ means sulfur
13 hexafluoride (SF₆), nitrogen trifluoride (NF₃), any
14 hydrofluorocarbon, any perfluorocarbon, any fully
15 fluorinated linear, branched or cyclic alkane, ether,
16 tertiary amine or aminoether, any perfluoropoly-
17 ether, any hydrofluoropolyether, and any other fluo-
18 rocarbon except for substances with vapor pressures
19 of less than 1 mm of Hg absolute at 25 degrees Cel-
20 sius.

21 “(2) FLUORINATED GREENHOUSE GAS PRODUC-
22 TION FACILITY.—The term ‘fluorinated greenhouse
23 gas production facility’ means any facility which is
24 included under the industrial gas supplier source
25 category under subpart OO of part 98 of title 40,

1 Code of Federal Regulations, as in effect on the date
 2 of the enactment of the American Opportunity Car-
 3 bon Fee Act of 2019.

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

7 “(A) the industrial gas supplier source cat-
 8 egory under subpart OO of part 98 of title 40,
 9 Code of Regulations, as in effect on the date of
 10 the enactment of the American Opportunity
 11 Carbon Fee Act of 2019, or

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

14 “(4) APPLICABLE PERCENTAGE.—The term
 15 ‘applicable percentage’ means the percentage deter-
 16 mined in accordance with the following table:

“In the case of any taxable year beginning in calendar year:	The applicable percentage is:
2020, 2021, or 2022	10 percent
2023	20 percent
2024	30 percent
2025	40 percent
2026	50 percent
2027	60 percent
2028	70 percent
2029	80 percent
2030	90 percent
2031 or thereafter	100 percent.

17 “(d) EXEMPTION FOR EXPORTS.—For purposes of
 18 determining fluorinated greenhouse gases produced or im-

1 ported under subsection (a), there shall not be taken into
 2 account any fluorinated greenhouse gases exported from
 3 the United States in bulk or exported from the United
 4 States in equipment pre-charged with fluorinated green-
 5 house gases or containing fluorinated greenhouse gases in
 6 closed cell foams.

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

18 “(1) an amount equal to the applicable percent-
 19 age (as defined in subsection (c)(4)) of the applica-
 20 ble amount under section 4691(b), for the calendar
 21 year in which such fluorinated greenhouse gas was
 22 used or destroyed, and

23 “(2) the excess (if any) of—

1 “(A) the total carbon dioxide equivalent of
 2 the fluorinated greenhouse gases used or de-
 3 stroyed, over

4 “(B) the total carbon dioxide equivalent of
 5 any fluorinated greenhouse gases created as the
 6 result of the transformation or destruction
 7 process.

8 **“SEC. 4693. FEE ON FACILITIES THAT EMIT GREENHOUSE**
 9 **GASES.**

10 “(a) IN GENERAL.—There is hereby imposed a fee
 11 in an amount equal to the applicable percentage of the
 12 applicable amount determined under section 4691(b) per
 13 ton of carbon dioxide equivalent emitted (including associ-
 14 ated emissions) from any facility which—

15 “(1)(A) is included under—

16 “(i) the aluminum production source cat-
 17 egory under subpart F of part 98 of title 40,
 18 Code of Regulations, as in effect on the date of
 19 the enactment of the American Opportunity
 20 Carbon Fee Act of 2019,

21 “(ii) the HCFC-22 production and HFC-
 22 23 destruction source category under subpart O
 23 of such part (as so in effect), or

1 “(iii) the fluorinated gas production source
 2 category under subpart L of such part (as so in
 3 effect), or

4 “(B) which is not described in subparagraph
 5 (A) and is required to report emissions (or which
 6 would be required to report emissions notwith-
 7 standing any other provision of law prohibiting the
 8 implementation of or use of funds for such require-
 9 ments), or to which emissions are attributed, under
 10 part 98 of title 40, Code of Federal Regulations, as
 11 in effect on the date of the enactment of the Amer-
 12 ican Opportunity Carbon Fee Act of 2019, and

13 “(2) emitted during the previous calendar year
 14 greenhouse gases at a rate equal to the carbon diox-
 15 ide equivalent of not less than 25,000 tons by reason
 16 of the combustion or processing of any product other
 17 than coal, petroleum products, and natural gas.

18 “(b) APPLICABLE PERCENTAGE.—For purposes of
 19 this section, the term ‘applicable percentage’ means—

20 “(1) in the case of a facility described in sub-
 21 section (a)(1)(A), the percentage determined in ac-
 22 cordance with section 4692(c)(5), or

23 “(2) in the case of a facility described in sub-
 24 section (a)(1)(B), 100 percent.

1 **“SEC. 4694. ASSOCIATED EMISSIONS.**

2 “(a) REPORTING PROGRAM.—

3 “(1) IN GENERAL.—Not later than January 1,
4 2022, the Secretary, in consultation with the Admin-
5 istrator of the Environmental Protection Agency, the
6 Secretary of the Interior, the Administrator of the
7 Energy Information Administration, and the Admin-
8 istrator of the Pipeline and Hazardous Materials
9 Safety Administration, shall establish and implement
10 a program to identify all major source categories of
11 associated emissions and collect data on associated
12 emissions from the coal, petroleum products, and
13 natural gas supply chains.

14 “(2) ANNUAL REPORT.—Not later than 12
15 months after the date that the Secretary implements
16 the program described in paragraph (1), and annu-
17 ally thereafter, the Secretary shall issue a report, to
18 be made available to the public and the appropriate
19 committees of Congress, on associated emissions, in-
20 cluding—

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

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

25 “(i) methane and other greenhouse
26 gases emitted across the coal supply chain

1 within the United States during the pre-
2 ceding calendar year,

3 “(ii) methane and other greenhouse
4 gases emitted across the petroleum prod-
5 ucts supply chain within the United States
6 during the preceding calendar year, and

7 “(iii) methane and other greenhouse
8 gases emitted across the natural gas sup-
9 ply chain within the United States during
10 the preceding calendar year.

11 “(b) SUPPLEMENTARY FEE FOR ASSOCIATED EMIS-
12 SIONS.—

13 “(1) COAL.—In the case of any calendar year
14 beginning after 2022, the fee imposed under section
15 4691(a)(1) with respect to coal shall be increased by
16 the amount determined by the Secretary (in con-
17 sultation with the Administrator of the Environ-
18 mental Protection Agency) necessary to ensure that
19 the total fees collected under such section with re-
20 spect to coal are equal to the total amount of such
21 fees that would be collected on coal if the fee im-
22 posed under section 4691(a)(1) also applied to the
23 carbon-dioxide equivalent of greenhouse gas emis-
24 sions reported under subsection (a)(2)(B)(i).

1 “(2) PETROLEUM PRODUCTS.—In the case of
2 any calendar year beginning after 2022, the fee im-
3 posed under section 4691(a)(1) with respect to pe-
4 troleum products shall be increased by the amount
5 determined by the Secretary (in consultation with
6 the Administrator of the Environmental Protection
7 Agency) necessary to ensure that the total fees col-
8 lected under such section with respect to petroleum
9 products are equal to the total amount of such fees
10 that would be collected on petroleum products if the
11 fee imposed under section 4691(a)(1) also applied to
12 the carbon-dioxide equivalent of greenhouse gas
13 emissions reported under subsection (a)(2)(B)(ii).

14 “(3) NATURAL GAS.—In the case of any cal-
15 endar year beginning after 2022, the fee imposed
16 under section 4691(a)(1) with respect to natural gas
17 shall be increased by the amount determined by the
18 Secretary (in consultation with the Administrator of
19 the Environmental Protection Agency) necessary to
20 ensure that the total fees collected under such sec-
21 tion with respect to natural gas are equal to the
22 total amount of such fees that would be collected on
23 natural gas if the fee imposed under section
24 4691(a)(1) also applied to the carbon-dioxide equiva-

1 lent of greenhouse gas emissions reported under sub-
 2 section (a)(2)(B)(iii).

3 **“SEC. 4695. BORDER ADJUSTMENTS FOR ENERGY-INTEN-**
 4 **SIVE MANUFACTURED GOODS.**

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

7 “(b) EXPORTS.—

8 “(1) IN GENERAL.—In the case of any energy-
 9 intensive manufactured good which is exported from
 10 the United States, the Secretary shall pay to the
 11 person exporting such good a refund equal to the
 12 amount of the cost of such good attributable to any
 13 fees imposed under this subchapter related to the
 14 manufacturing of such energy-intensive manufac-
 15 tured good (as determined under regulations estab-
 16 lished by the Secretary).

17 “(2) REDUCTION IN REFUND.—The amount of
 18 the refund under paragraph (1) shall be reduced by
 19 the amount, if any, of fees imposed on such goods
 20 or comparable domestically produced energy-inten-
 21 sive manufactured goods by the foreign nation or
 22 governmental unit to which such good is exported.

23 “(c) IMPORTS.—

24 “(1) IMPOSITION OF EQUIVALENCY FEE.—In
 25 the case of any energy-intensive manufactured good

1 imported into the United States, there is imposed an
2 equivalency fee on the person importing such good
3 in an amount equal to the cost of such good which
4 would be attributable to any fees imposed under this
5 subchapter related to the manufacturing of such
6 good if any inputs or processes used in manufac-
7 turing such good were subject to such fees (as deter-
8 mined under regulations established by the Sec-
9 retary).

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

16 “(d) TREATMENT OF ALTERNATIVE POLICIES AS
17 FEES.—Under regulations established by the Secretary,
18 foreign policies that have substantially the same effect in
19 reducing emissions of greenhouse gases as fees shall be
20 treated as fees for purposes of subsections (b)(2) and
21 (c)(2).

22 “(e) REGULATORY AUTHORITY.—

23 “(1) IN GENERAL.—The Secretary shall consult
24 with the Administrator of the Environmental Protec-
25 tion Agency and the Secretary of Energy in estab-

1 lishing rules and regulations implementing the pur-
2 poses of this section.

3 “(2) TREATIES.—The Secretary, in consulta-
4 tion with the Secretary of State, may adjust the ap-
5 plicable amounts of the refunds and equivalency fees
6 under this section in a manner that is consistent
7 with any obligations of the United States under an
8 international agreement.

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

10 “(a) DEFINITIONS.—For purposes of this sub-
11 chapter:

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

16 “(2) CARBON DIOXIDE EQUIVALENT.—The
17 term ‘carbon dioxide equivalent’ means, with respect
18 to a greenhouse gas, the quantity of such gas that
19 has a global warming potential equivalent to 1 met-
20 ric ton of carbon dioxide, as determined pursuant to
21 table A–1 of subpart A of part 98 of title 40, Code
22 of Federal Regulations, as in effect on the date of
23 the enactment of the American Opportunity Carbon
24 Fee Act of 2019.

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

3 “(4) ENERGY-INTENSIVE MANUFACTURED
4 GOOD.—

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

11 “(B) LIST OF ENERGY-INTENSIVE MANU-
12 FACTURED GOODS.—

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

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

21 “(5) GREENHOUSE GAS.—The term ‘greenhouse
22 gas’ has the meaning given such term under section
23 211(o)(1)(G) of the Clean Air Act, as in effect on
24 the date of the enactment of the American Oppor-
25 tunity Carbon Fee Act of 2019.

1 “(6) NATURAL GAS.—The term ‘natural gas’
2 has the same meaning given such term under section
3 613A(e)(2).

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

7 “(8) SUPPLY CHAIN.—The term ‘supply chain’
8 means extraction and processing of coal and natural
9 gas, extraction and refining of petroleum products,
10 and the transmission, transport, storage, distribu-
11 tion, import, export, and other activities related to
12 supplying coal, petroleum products, and natural gas
13 to a consumer, not otherwise covered elsewhere in
14 this subchapter as determined by the Administrator
15 of the Environmental Protection Agency.

16 “(9) TON.—

17 “(A) IN GENERAL.—The term ‘ton’ means
18 1,000 kilograms. In the case of any greenhouse
19 gas which is a gas, the term ‘ton’ means the
20 amount of such gas in cubic meters which is the
21 equivalent of 1,000 kilograms on a molecular
22 weight basis.

23 “(B) FRACTIONAL PART OF TON.—In the
24 case of a fraction of a ton, any fee imposed by
25 this subchapter on such fraction shall be the

1 same fraction of the amount of such fee im-
 2 posed on a whole ton.

3 “(10) UNITED STATES.—The term ‘United
 4 States’ has the meaning given such term by section
 5 4612(a)(4).

6 “(b) OTHER RULES.—

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

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

14 (b) CLERICAL AMENDMENT.—The table of sub-
 15 chapters for chapter 38 of the Internal Revenue Code of
 16 1986 is amended by adding at the end the following new
 17 item:

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

18 (c) EFFECTIVE DATE.—The amendments made by
 19 this section shall apply to taxable years beginning after
 20 December 31, 2019.

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

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

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

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

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

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

17 “(2) \$900 (twice such amount in the case of a
 18 joint return).

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

22 “(1) any nonresident alien individual,

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

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

3 “(3) any individual who, for the month of De-
4 cember of the taxable year, was entitled to or eligible
5 for a benefit payment described in paragraph (1) or
6 (2) of section 202(b) of the American Opportunity
7 Carbon Fee Act of 2019.

8 “(c) EARNED INCOME.—

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

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

21 “(d) INFLATION ADJUSTMENT.—

22 “(1) IN GENERAL.—In the case of a taxable
23 year beginning after 2020, the \$900 amount in sub-
24 section (a)(2) shall be increased by an amount equal
25 to—

1 “(A) such dollar amount, multiplied by

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

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

5 “(ii) the CPI for calendar year 2019.

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

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

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

25 (c) CONFORMING AMENDMENTS.—

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

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

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

8 (d) EFFECTIVE DATE.—The amendments made by
 9 this section shall apply to taxable years beginning after
 10 December 31, 2019.

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

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

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

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

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

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

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

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

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

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

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

8 (a) IN GENERAL.—The Secretary of the Treasury
 9 shall provide to each State which meets the requirements
 10 of subsection (d) a cost mitigation grant for each calendar
 11 year after 2019 in an amount determined under sub-
 12 section (c).

13 (b) USE OF FUNDS.—A State receiving a cost mitiga-
 14 tion grant under this section may use the grant to assist
 15 with the transition to a low-carbon economy, including—

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

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

1 (3) to provide job training and worker transi-
 2 tion assistance, with priority given to workers and
 3 former workers in fossil-fuel related industries; or

4 (4) to assist the State in dealing with climate
 5 change or the transition to a low-carbon economy.

6 (c) AMOUNT OF GRANT.—

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

10 (A) the annual grant limitation determined
 11 under paragraph (3) for such calendar year;
 12 and

13 (B) the State allocation percentage for the
 14 State (determined under paragraph (2)).

15 (2) STATE ALLOCATION PERCENTAGE.—The
 16 “State allocation percentage” for a State is the
 17 amount (expressed as a percentage) equal to the
 18 quotient of—

19 (A) the population of such State (as re-
 20 ported in the most recent decennial census);
 21 and

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

24 (3) ANNUAL APPROPRIATION FOR GRANTS.—

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

3 (B) INFLATION ADJUSTMENT.—

4 (i) IN GENERAL.—In the case of any
 5 calendar year after 2020, the
 6 \$10,000,000,000 amount in subparagraph
 7 (A) shall be increased by an amount equal
 8 to—

9 (I) such dollar amount; multi-
 10 plied by

11 (II) the percentage (if any) by
 12 which—

13 (aa) the CPI for the pre-
 14 ceding calendar year; exceeds

15 (bb) the CPI for calendar
 16 year 2019.

17 (ii) CPI.—Rules similar to the rules
 18 of paragraphs (4) and (5) of section 1(f)
 19 of the Internal Revenue Code of 1986 shall
 20 apply for purposes of this subparagraph.

21 (4) REDISTRIBUTION.—In any case in which
 22 one or more States do not meet the requirements de-
 23 scribed in subsection (d) for a calendar year, an
 24 amount equal to the State allocation percentage for
 25 such State or States shall be distributed to each

1 State which did meet such conditions in an amount
2 equal to the product of—

3 (A) such amount; and

4 (B) the State allocation percentage of such
5 State (determined by not taking into account
6 under paragraph (2)(B) the population of any
7 State which did not meet the requirements of
8 subsection (d) for such calendar year).

9 (d) REQUIREMENTS FOR RECEIPT OF GRANT.—

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

12 (A) the chief executive officer of the State
13 certifies that the State will use a portion of
14 such grant as needed to deliver benefits to eligi-
15 ble low-income individuals through a household
16 rebate program;

17 (B) the State has filed with the Secretary
18 of the Treasury a State plan covering the cal-
19 endar year which details the use of the funds
20 received under the grant;

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

23 (D) the State has complied with the re-
24 quirements of this section for all preceding
25 years or the State has remedied all prior non-

1 compliance to the satisfaction of the Secretary
2 of the Treasury.

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

5 (A) IN GENERAL.—The term “household
6 rebate program” means a program for deliv-
7 ering to monthly benefits in an aggregate an-
8 nual amount equal to the applicable amount to
9 all eligible low-income individuals through a
10 State-administered electronic benefit transfer
11 system.

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

16 (i) the amount in effect for taxable
17 years ending with or within the preceding
18 calendar year under section 36A(a)(2) of
19 the Internal Revenue Code of 1986; over

20 (ii) any amount allowed or claimed as
21 a credit by such individual under such sec-
22 tion for the taxable year ending with or
23 within the preceding calendar year.

24 (C) ELIGIBLE LOW-INCOME INDIVIDUAL.—
25 The term “eligible low-income individual”

1 means, with respect to any calendar year, any
2 individual who—

3 (i) has attained the age of 18 before
4 the end of the calendar year;

5 (ii) lives in a household that has a
6 gross income that does not exceed 150 per-
7 cent of the poverty line as defined by sec-
8 tion 673(2) of the Community Services
9 Block Grant Act;

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

14 (iv) for the month of December of the
15 preceding calendar year, was not entitled
16 to or eligible for a benefit payment de-
17 scribed in section 202(b).

18 (D) COORDINATION RULES.—The Sec-
19 retary of the Treasury shall coordinate with the
20 States and other applicable Federal agencies to
21 identify eligible low-income individuals.

22 (e) AUDITS.—The Secretary of the Treasury shall
23 audit the State use of grants under this section to ensure
24 such uses comply with the requirements of this section and
25 with the uses identified by the State under subsection

1 (d)(1)(B). The Secretary may withhold a grant under this
 2 section if the Secretary determines that a State has not
 3 complied with such requirements.

4 (f) STATE.—For purposes of this section, the term
 5 “State” includes the District of Columbia, the Common-
 6 wealth of Puerto Rico, Guam, American Samoa, the Com-
 7 monwealth of the Northern Mariana Islands, and the
 8 United States Virgin Islands.

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

13 **TITLE III—OTHER PROVISIONS**

14 **SEC. 301. PUBLIC DISCLOSURE OF REVENUES AND EX-** 15 **PENDITURES.**

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

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

23 (1) The amount and sources of revenue attrib-
 24 utable to this Act and the amendments made by this
 25 Act.

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

3 **SEC. 302. SEVERABILITY.**

4 If any provision of this Act or amendment made by
5 this Act, or the application of a provision or amendment
6 to any person or circumstance, is held to be unconstitu-
7 tional, the remainder of this Act and amendments made
8 by this Act, and the application of the provisions and
9 amendment to any person or circumstance, shall not be
10 affected by the holding.

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