

114TH CONGRESS
1ST SESSION

H. R. 3760

To amend the Internal Revenue Code of 1986 to deny certain tax benefits to persons responsible for the discharge of oil or other hazardous substances into navigable waters of the United States.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 16, 2015

Mr. ENGEL (for himself and Mr. WELCH) 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 deny certain tax benefits to persons responsible for the discharge of oil or other hazardous substances into navigable waters of the United States.

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 “Offending Oil Polluters
5 Act”.

1 **SEC. 2. DENIAL OF CERTAIN TAX BENEFITS TO OFFENDING**
 2 **OIL POLLUTERS.**

3 (a) IN GENERAL.—Subchapter B of chapter 1 of the
 4 Internal Revenue Code of 1986 is amended by adding at
 5 the end the following new part:

6 **“PART XII—DENIAL OF CERTAIN TAX BENEFITS**
 7 **TO OFFENDING OIL POLLUTERS**

“Sec. 293. Denial of certain tax benefits to offending oil polluters.

8 **“SEC. 293. DENIAL OF CERTAIN TAX BENEFITS TO OFFEND-**
 9 **ING OIL POLLUTERS.**

10 “(a) IN GENERAL.—In the case of an offending oil
 11 polluter, no deduction or credit shall be allowed under this
 12 chapter with respect to any amount paid or incurred—

13 “(1) in connection with a discharge of oil or a
 14 hazardous substance referred to in subsection (b)(1),

15 “(2) for any attorney fees and court costs in
 16 connection with any action with respect to such dis-
 17 charge,

18 “(3) as a payment or restitution related to such
 19 discharge, and

20 “(4) any costs or penalties required by Federal
 21 law or regulations or certified in a settlement by a
 22 Federal court.

23 “(b) OFFENDING OIL POLLUTER.—For purposes of
 24 this section, the term ‘offending oil polluter’ means—

1 “(1) any person that is a responsible party for
2 a vessel or a facility from which oil or a hazardous
3 substance is discharged (within the meaning of sec-
4 tion 311 of the Federal Water Pollution Control Act
5 (33 U.S.C. 1321)), and

6 “(2) any person who is a member of the same
7 expanded affiliated group (as defined in section
8 1471(e)(2)) as a person described in paragraph
9 (1).”.

10 (b) CLERICAL AMENDMENT.—The table of parts for
11 subchapter B of chapter 1 of such Code is amended by
12 adding at the end the following new item:

“PART XII. DENIAL OF CERTAIN TAX BENEFITS TO OFFENDING OIL
POLLUTERS”.

13 (c) STUDY.—Not later than 6 months after the date
14 of the enactment of this Act, and annually thereafter, the
15 Secretary of the Treasury (or the Secretary’s delegate)
16 shall conduct a study, and submit the results to the Com-
17 mittee on Ways and Means and the Committee on Energy
18 and Commerce of the House of Representatives and the
19 Committee on Finance and the Committee on Environ-
20 ment and Public Works of the Senate—

21 (1) to determine the loss in revenue to the
22 Treasury as a result of deductions allowed by the In-
23 ternal Revenue Code of 1986 for cleaning up oil that
24 is discharged (within the meaning of section 1002 of

1 the Oil Pollution Act of 1990 (33 U.S.C. 2702))
2 after April 19, 2010, and

3 (2) to determine the amount of revenue savings
4 by the Treasury as a result of section 293 of the In-
5 ternal Revenue Code of 1986 (as added by this sec-
6 tion).

7 (d) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to amounts paid or incurred after
9 December 31, 2014.

○