

117TH CONGRESS
2^D SESSION

H. R. 7155

To prohibit the importation of petroleum and petroleum products from the Russian Federation, to amend the Internal Revenue Code of 1986 to establish an income tax credit for the sale or blending of certain fuels containing ethanol and to extend tax incentives for biodiesel and renewable diesel, to amend the Clean Air Act with respect to the ethanol waiver for Reid vapor pressure limitations under that Act, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 18, 2022

Mr. FEENSTRA (for himself, Ms. CRAIG, Mrs. BUSTOS, and Mrs. HINSON) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Energy and Commerce, 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 prohibit the importation of petroleum and petroleum products from the Russian Federation, to amend the Internal Revenue Code of 1986 to establish an income tax credit for the sale or blending of certain fuels containing ethanol and to extend tax incentives for biodiesel and renewable diesel, to amend the Clean Air Act with respect to the ethanol waiver for Reid vapor pressure limitations under that Act, 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 “Home Front Energy
5 Independence Act”.

6 **SEC. 2. PROHIBITION ON IMPORTATION OF PETROLEUM**
7 **AND PETROLEUM PRODUCTS FROM THE RUS-**
8 **SIAN FEDERATION.**

9 (a) PROHIBITION.—The importation of petroleum
10 and petroleum products from the Russian Federation is
11 prohibited.

12 (b) TERMINATION.—The prohibition under sub-
13 section (a) shall terminate on the date on which the Presi-
14 dent determines and reports to Congress that the Govern-
15 ment of the Russian Federation recognizes the sovereignty
16 and territorial integrity of Ukraine within its internation-
17 ally recognized borders, extending to its territorial waters.

18 (c) EFFECTIVE DATE.—The prohibition under sub-
19 section (a) applies with respect to articles entered, or with-
20 drawn from warehouse for consumption, on or after the
21 date that is 15 days after the date of the enactment of
22 this Act.

1 **SEC. 3. CREDIT FOR SALE OR BLENDING OF ETHANOL**
2 **FUELS.**

3 (a) IN GENERAL.—Subpart D of part IV of sub-
4 chapter A of chapter 1 of the Internal Revenue Code of
5 1986 is amended by adding at the end the following new
6 section:

7 **“SEC. 45U. CREDIT FOR SALE OR BLENDING OF ETHANOL**
8 **FUELS.**

9 “(a) IN GENERAL.—For purposes of section 38, the
10 ethanol fuel credit determined under this section for any
11 taxable year is an amount equal to—

12 “(1) in the case of an applicable taxpayer which
13 is described in subsection (b)(1)(A)—

14 “(A) for each gallon of E15 blended by
15 such taxpayer, 5 cents, and

16 “(B) for each gallon of fuel blended by
17 such taxpayer which contains more than 15 vol-
18 ume percent ethanol, 10 cents, and

19 “(2) subject to subsection (c), in the case of an
20 applicable taxpayer which is described in subsection
21 (b)(1)(B)—

22 “(A) for each gallon of E15 sold by such
23 taxpayer, 5 cents, and

24 “(B) for each gallon of fuel sold by such
25 taxpayer which contains more than 15 volume
26 percent ethanol, 10 cents.

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

2 “(1) APPLICABLE TAXPAYER.—The term ‘applicable taxpayer’ means—

3 “(A) an oxygenate blender (as defined in
4 section 1090.80 of title 40, Code of Federal
5 Regulations), and

6 “(B) a retailer (as defined in paragraph
7 (7) of section 101 of the Petroleum Marketing
8 Practices Act (15 U.S.C. 2801)).

9 “(2) E15.—The term ‘E15’ means gasoline
10 that contains more than 13 and no more than 15
11 volume percent ethanol.

12 “(c) ELECTION.—

13 “(1) IN GENERAL.—

14 “(A) ELECTION BY OXYGENATE BLENDER.—Subsection (a)(1) shall apply with respect
15 to any gallon of fuel described in such sub-
16 section only if the applicable taxpayer described
17 in subsection (b)(1)(A) elects to have such sub-
18 section apply with respect to such gallon of fuel.

19 “(B) NOTIFICATION.—The applicable tax-
20 payer described in subparagraph (A) shall pro-
21 vide notice of their election with respect to any
22 gallon of fuel described in such subparagraph to
23 any applicable taxpayer described in subsection
24
25

1 (b)(1)(B) to which such fuel is sold, with such
2 notice to be provided on or before the date of
3 such sale.

4 “(2) CREDIT FOR RETAILER AVAILABLE ONLY
5 IF NOT CLAIMED BY OXYGENATE BLENDER.—Sub-
6 section (a)(2) shall apply with respect to any gallon
7 of fuel described in such subsection only if the appli-
8 cable taxpayer described in subsection (b)(1)(A) has
9 not elected (pursuant to paragraph (1)) to apply
10 subsection (a)(1) with respect to such gallon of fuel.

11 “(d) REFUNDABLE CREDIT FOR SMALL RETAIL-
12 ERS.—For purposes of this title, in the case of a retailer
13 with not greater than 5 retail locations at the close of the
14 taxable year, the credit allowed under subsection (a)(2)
15 for such taxable year shall be treated as a credit allowable
16 under subpart C (and not allowable under this subpart)
17 for such taxable year.

18 “(e) TRANSFER OF CREDIT.—

19 “(1) IN GENERAL.—Subject to such regulations
20 or other guidance as the Secretary determines nec-
21 essary or appropriate, if, with respect to the credit
22 allowed under subsection (a) for any taxable year,
23 the applicable taxpayer elects the application of this
24 subsection for such taxable year with respect to all
25 (or any portion specified in such election) of such

1 credit, the eligible entity specified in such election,
2 and not the applicable taxpayer, shall be treated as
3 the taxpayer for purposes of this title with respect
4 to such credit (or such portion thereof).

5 “(2) ELIGIBLE ENTITY.—For purposes of this
6 subsection, the term ‘eligible entity’ means any per-
7 son within the supply chain for fuel described in
8 such section (a).”.

9 (b) CREDIT TO BE PART OF GENERAL BUSINESS
10 CREDIT.—Subsection (b) of section 38 of the Internal
11 Revenue Code of 1986 is amended by striking “plus” at
12 the end of paragraph (32), by striking the period at the
13 end of paragraph (33) and inserting “, plus”, and by add-
14 ing at the end the following new paragraph:

15 “(34) the credit for sale or blending of ethanol
16 fuels under section 45U to which subsection (d) of
17 such section does not apply.”.

18 (c) CONFORMING AMENDMENT.—The table of sec-
19 tions for subpart D of part IV of subchapter A of chapter
20 1 of the Internal Revenue Code of 1986 is amended by
21 adding at the end the following new item:

“Sec. 45U. Credit for sale or blending of ethanol fuels.”.

22 (d) EFFECTIVE DATE.—The amendments made by
23 this section shall apply to fuel blended or sold after De-
24 cember 31, 2021.

1 **SEC. 4. EXTENSION OF TAX INCENTIVES FOR BIODIESEL**
2 **AND RENEWABLE DIESEL.**

3 (a) **INCOME TAX CREDIT.**—

4 (1) **IN GENERAL.**—Section 40A(g) is amended
5 by striking “December 31, 2022” and inserting
6 “December 31, 2025”.

7 (2) **EFFECTIVE DATE.**—The amendment made
8 by this subsection shall apply to fuel sold or used
9 after December 31, 2022.

10 (b) **EXCISE TAX INCENTIVES.**—

11 (1) **TERMINATION.**—

12 (A) **IN GENERAL.**—Section 6426(e)(6) is
13 amended by striking “December 31, 2022” and
14 inserting “December 31, 2025”.

15 (B) **PAYMENTS.**—Section 6427(e)(6)(B) is
16 amended by striking “December 31, 2022” and
17 inserting “December 31, 2025”.

18 (2) **EFFECTIVE DATE.**—The amendments made
19 by this subsection shall apply to fuel sold or used
20 after December 31, 2022.

21 **SEC. 5. ETHANOL REID VAPOR PRESSURE LIMITATIONS**
22 **AND E15 LABELING.**

23 (a) **ETHANOL WAIVER.**—

24 (1) **REID VAPOR PRESSURE LIMITATION.**—Sec-
25 tion 211(h) of the Clean Air Act (42 U.S.C.
26 7545(h)) is amended—

1 (A) in paragraph (4)—

2 (i) in the matter preceding subpara-
3 graph (A), by inserting “or more” after
4 “10 percent”; and

5 (ii) in subparagraph (C), by striking
6 “additional alcohol or”; and

7 (B) in paragraph (5)(A), by inserting “or
8 more” after “10 percent”.

9 (2) EXISTING WAIVERS.—Section 211(f)(4) of
10 the Clean Air Act (42 U.S.C. 7545(f)(4)) is amend-
11 ed—

12 (A) by striking “The Administrator, upon”
13 and inserting the following:

14 “(A) The Administrator, upon”; and

15 (B) by adding at the end the following:

16 “(B) A fuel or fuel additive that has been
17 granted a waiver under subparagraph (A) prior
18 to January 1, 2017, and meets all of the condi-
19 tions of that waiver, other than the waiver’s
20 limits for Reid Vapor Pressure, may be intro-
21 duced into commerce if the fuel or fuel additive
22 meets all other applicable Reid Vapor Pressure
23 requirements.”.

1 (b) E15 LABELING REQUIREMENTS.—Section 211(c)
2 of the Clean Air Act (42 U.S.C. 7545(c)) is amended by
3 adding at the end the following:

4 “(5) REVISIONS REQUIRED.—

5 “(A) IN GENERAL.—Not later than 6
6 months after the date of enactment of this
7 paragraph, the Administrator shall—

8 “(i) revise the regulations of the Ad-
9 ministrator, and any other labeling re-
10 quirements or conditions that the Adminis-
11 trator has adopted pursuant to this sec-
12 tion, to prescribe that retailers shall label
13 gasoline that contains more than 10 per-
14 cent, but not more than 15 percent, eth-
15 anol to have only the following language:
16 ‘Contains no more than 15% ethanol.’; and

17 “(ii) finalize the proposed rule of the
18 Environmental Protection Agency entitled
19 ‘E15 Fuel Dispenser Labeling and Com-
20 patibility With Underground Storage
21 Tanks’ (86 Fed. Reg. 5094 (January 19,
22 2021)).

23 “(B) WAIVERS VALID.—Notwithstanding
24 the change in labeling required by subpara-
25 graph (A)(i), any waiver granted to gasoline

1 that contains more than 10 percent, but not
2 more than 15 percent, ethanol under subsection
3 (f)(4) before the date of enactment of this para-
4 graph shall remain valid.”.

5 **SEC. 6. GRANTS FOR EXPANDING DOMESTIC BIOFUEL CON-**
6 **SUMPTION.**

7 Title IX of the Farm Security and Rural Investment
8 Act of 2002 (7 U.S.C. 8101 et seq.) is amended by adding
9 at the end the following:

10 **“SEC. 9015. BIOFUEL INFRASTRUCTURE AND AGRICUL-**
11 **TURAL PRODUCT MARKET EXPANSION**
12 **GRANT PROGRAM.**

13 “(a) DEFINITION OF ELIGIBLE ENTITY.—In this sec-
14 tion, the term ‘eligible entity’ means—

15 “(1) a State or unit of local government;

16 “(2) a Tribal government;

17 “(3) an authority, agency, partnership, or in-
18 strumentality of an entity described in paragraph
19 (1) or (2); and

20 “(4) a group of entities described in paragraphs
21 (1) through (3).

22 “(b) ESTABLISHMENT.—Not later than 1 year after
23 the date of enactment of this section, the Secretary shall
24 establish a grant program to award grants to eligible enti-
25 ties to carry out the activities described in subsection (f).

1 “(c) PURPOSE.—The purposes of the grant program
2 established under subsection (b) shall be—

3 “(1) to increase the use of domestic agricultural
4 crops by expanding or aiding in the expansion of do-
5 mestic biofuel markets;

6 “(2) to aid in the development of new and addi-
7 tional biofuel markets, marketing facilities, and uses
8 for feedstock derived from agricultural crops and
9 other biomass;

10 “(3) to stabilize prices in agricultural markets
11 by increasing demand for feedstock derived from ag-
12 ricultural crops;

13 “(4) to boost domestic production and use of
14 biofuels to promote rural economic development and
15 job creation; and

16 “(5) to support farm income by increasing de-
17 mand for feedstock use and production.

18 “(d) APPLICATIONS.—An eligible entity desiring a
19 grant under this section shall submit to the Secretary an
20 application at the time, in the manner, and containing the
21 information that the Secretary may require.

22 “(e) ELIGIBILITY CRITERIA.—In selecting an eligible
23 entity to receive a grant under this section, the Secretary
24 shall consider the extent to which the application of the
25 eligible entity proposes—

1 “(1) to convert existing pump infrastructure to
2 deliver ethanol blends with greater than 10 percent
3 ethanol;

4 “(2) to diversify the geographic area selling eth-
5 anol blends with greater than 10 percent ethanol;

6 “(3) to support existing or emerging biodiesel,
7 bioheat, and sustainable aviation fuel markets that
8 have existing incentives;

9 “(4) to increase the use of existing fuel delivery
10 infrastructure;

11 “(5) to enable or accelerate the deployment of
12 renewable fuel infrastructure that would be unlikely
13 to be completed without Federal assistance; and

14 “(6) to build and retrofit traditional and pipe-
15 line biodiesel terminal operations (including rail
16 lines) and home heating oil distribution centers or
17 equivalent entities—

18 “(A) to blend biodiesel; and

19 “(B) to carry ethanol and biodiesel.

20 “(f) ELIGIBLE USE.—An eligible entity that receives
21 a grant under this section may use the grant funds—

22 “(1) to distribute to private or public entities
23 for costs related to incentivizing deployment of re-
24 newable fuel infrastructure;

1 “(2) to convert existing pump infrastructure to
2 deliver ethanol blends greater than 10 percent and
3 biodiesel blends greater than 20 percent;

4 “(3) to install fuel pumps and related infra-
5 structure dedicated to the distribution of higher eth-
6 anol blends (including E15 and E85) and higher
7 biodiesel blends up to B100 at fueling locations, in-
8 cluding—

9 “(A) local fueling stations;

10 “(B) convenience stores;

11 “(C) hypermarket fueling stations; and

12 “(D) fleet facilities or similar entities; and

13 “(4) to build and retrofit traditional and pipe-
14 line biodiesel terminal operations (including rail
15 lines) and home heating oil distribution centers or
16 equivalent entities—

17 “(A) to blend biodiesel; and

18 “(B) to carry ethanol and biodiesel.

19 “(g) CERTIFICATION REQUIREMENT.—Any infra-
20 structure used or installed with grant funds provided
21 under this section shall be certified by the Underwriters
22 Laboratory as infrastructure that distributes blends with
23 an ethanol content of 25 percent or greater.

24 “(h) FUNDING.—

1 “(1) FEDERAL SHARE.—The Federal share of
2 the total cost of carrying out a project awarded a
3 grant under this section shall not exceed 75 percent.

4 “(2) MAXIMUM PERCENTAGE FOR CERTAIN AC-
5 TIVITIES.—An eligible entity receiving a grant under
6 this section shall ensure that Federal funds do not
7 exceed—

8 “(A) 75 percent of the per pump cost
9 for—

10 “(i) pumps that can dispense a range
11 of ethanol blends of E85 or lower (new
12 pumps or retrofit of existing pumps); and

13 “(ii) dedicated E15 or E85 pumps
14 (new pumps or retrofit of existing pumps);

15 “(B) 50 percent of the terminal cost for
16 terminals with B100 capabilities; or

17 “(C) 40 percent of the per tank cost for
18 new storage tanks and related equipment asso-
19 ciated with new facilities or additional capacity
20 other than replacement of existing storage
21 tanks and related equipment associated with ex-
22 isting facilities.

23 “(i) AUTHORIZATION OF APPROPRIATIONS.—There is
24 authorized to be appropriated to the Secretary to carry

1 out this section \$100,000,000 for each of fiscal years 2022
2 through 2031.”.

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