

117TH CONGRESS  
1ST SESSION

# S. 685

To amend the Internal Revenue Code of 1986 to establish a carbon fee to reduce greenhouse gas emissions, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

MARCH 10, 2021

Mr. DURBIN introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to establish a carbon fee to reduce greenhouse gas emissions, 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 “America’s Clean Fu-  
5 ture Fund Act”.

6 **SEC. 2. CLIMATE CHANGE FINANCE CORPORATION.**

7 (a) ESTABLISHMENT.—

8 (1) IN GENERAL.—There is established in the  
9 executive branch an independent agency, to be  
10 known as the “Climate Change Finance Corpora-

1 tion” (referred to in this section as the “C2FC”),  
2 which shall finance clean energy and climate change  
3 resiliency activities in accordance with this section.

4 (2) MISSION.—

5 (A) IN GENERAL.—The mission of the  
6 C2FC is to combat and reduce the effects of cli-  
7 mate change by building resilience among com-  
8 munities facing harmful impacts of climate  
9 change and supporting a dramatic reduction in  
10 greenhouse gas emissions—

11 (i) through the deployment of clean  
12 and renewable technology, resilient infra-  
13 structure, research and development, the  
14 commercialization of new technology, clean  
15 energy manufacturing, and industrial  
16 decarbonization; and

17 (ii) to meet the goals of—

18 (I) by 2030, a net reduction of  
19 greenhouse gas emissions by 45 per-  
20 cent, based on 2018 levels; and

21 (II) by 2050, a net reduction of  
22 greenhouse gas emissions by 100 per-  
23 cent, based on 2018 levels.

1 (B) ACTIVITIES.—The C2FC shall carry  
2 out the mission described in subparagraph (A)  
3 by—

4 (i) financing investments in clean en-  
5 ergy and transportation, resiliency, and in-  
6 frastructure;

7 (ii) using Federal investment to en-  
8 courage the infusion of private capital and  
9 investment into the clean energy and resil-  
10 ient infrastructure sectors, while creating  
11 new workforce opportunities; and

12 (iii) providing financing in cases  
13 where private capital cannot be leveraged,  
14 while minimizing competition with private  
15 investment.

16 (3) EXERCISE OF POWERS.—Except as other-  
17 wise provided expressly by law, all Federal laws deal-  
18 ing with public or Federal contracts, property,  
19 works, officers, employees, budgets, or funds, includ-  
20 ing the provisions of chapters 5 and 7 of title 5,  
21 United States Code, shall apply to the exercise of  
22 the powers of the C2FC.

23 (b) BOARD OF DIRECTORS.—

24 (1) IN GENERAL.—The management of the  
25 C2FC shall be vested in a Board of Directors (re-

1       ferred to in this section as the “Board”) consisting  
2       of 7 members, who shall be appointed by the Presi-  
3       dent, by and with the advice and consent of the Sen-  
4       ate.

5           (2) CHAIRPERSON AND VICE CHAIRPERSON.—

6           (A) IN GENERAL.—A Chairperson and  
7       Vice Chairperson of the Board shall be ap-  
8       pointed by the President, by and with the ad-  
9       vice and consent of the Senate, from among the  
10      individuals appointed to the Board under para-  
11      graph (1).

12          (B) TERM.—An individual—

13           (i) shall serve as Chairperson or Vice  
14      Chairperson of the Board for a 3-year  
15      term; and

16           (ii) may be renominated for the posi-  
17      tion until the term of that individual on  
18      the Board under paragraph (3)(C) expires.

19          (3) BOARD MEMBERS.—

20          (A) CITIZENSHIP REQUIRED.—Each mem-  
21      ber of the Board shall be an individual who is  
22      a citizen of the United States.

23          (B) REPRESENTATION.—The members of  
24      the Board shall fairly represent agricultural,  
25      educational, research, industrial, nongovern-

1           mental, labor, and commercial interests  
2           throughout the United States.

3           (C) TERM.—

4           (i) IN GENERAL.—Except as otherwise  
5           provided in this section, each member of  
6           the Board—

7                   (I) shall be appointed for a term  
8                   of 6 years; and

9                   (II) may be reappointed for 1 ad-  
10                  ditional term.

11           (ii) INITIAL STAGGERED TERMS.—Of  
12           the members first appointed to the  
13           Board—

14                   (I) 2 shall each be appointed for  
15                   a term of 2 years;

16                   (II) 3 shall each be appointed for  
17                   a term of 4 years; and

18                   (III) 2 shall each be appointed  
19                   for a term of 6 years.

20           (4) INITIAL MEETING.—Not later than 30 days  
21           after the date on which all members of the Board  
22           are appointed under paragraph (1), the Board shall  
23           hold an initial meeting.

24           (c) WORKING GROUPS.—

1           (1) IN GENERAL.—The Board shall create,  
2           oversee, and incorporate feedback from the following  
3           working groups (each referred to in this section as  
4           a “working group”):

5                   (A) An environmental justice working  
6                   group.

7                   (B) A worker and community transition  
8                   assistance working group.

9                   (C) A research and innovation working  
10                   group.

11           (2) WORKING GROUP MEMBERS.—

12                   (A) IN GENERAL.—Each working group  
13                   shall—

14                           (i) be chaired by a Board member;

15                           and

16                           (ii) comprise not less than 10 and not  
17                           more than 20 individuals, who shall be ex-  
18                           perts, members of directly impacted com-  
19                           munities relating to the subject matter of  
20                           the working group, and other relevant  
21                           stakeholders.

22                   (B) DIVERSITY.—Individuals on a working  
23                   group shall, to the maximum extent practicable,  
24                   represent—

1 (i) a diverse array of interests related  
2 to the subject matter of the working group;  
3 and

4 (ii) diverse geographical, racial, reli-  
5 gious, gender, educational, age, disability,  
6 and socioeconomic backgrounds.

7 (3) MEETINGS.—Each working group shall  
8 meet not less than 2 times per year.

9 (4) COMMUNITY AND STAKEHOLDER ENGAGE-  
10 MENT.—

11 (A) IN GENERAL.—Each working group  
12 shall create and engage in meaningful commu-  
13 nity and stakeholder involvement opportunities,  
14 including through regular community engage-  
15 ment activities, for purposes of—

16 (i) maintaining up-to-date situational  
17 awareness about the needs of relevant com-  
18 munities and stakeholders;

19 (ii) using the feedback obtained  
20 through those opportunities to inform the  
21 advice of the working group to the Board;  
22 and

23 (iii) providing a mechanism for direct  
24 and substantial community feedback relat-

1           ing to the investment plan and the funding  
2           decisions of the C2FC.

3           (B) PUBLIC AWARENESS.—Each working  
4           group shall inform the public about C2FC in-  
5           vestment by engaging in public awareness cam-  
6           paigns, which shall target relevant communities  
7           through electronic media, newspapers, radio, di-  
8           rect mailings, canvassing, or other outreach  
9           methods suited for the relevant community.

10          (C) BROAD PARTICIPATION.—In carrying  
11          out subparagraph (A), each working group  
12          shall, to the maximum extent practicable, maxi-  
13          mize participation from a broad group of stake-  
14          holders, including by holding multiple meetings  
15          with significant advance notice and holding  
16          meetings at different times and in multiple lan-  
17          guages.

18          (5) TASKS.—Each working group shall, as it re-  
19          lates to the subject matter of the working group—

20                (A) advise and provide general input to the  
21                Board regarding loans and grants provided by  
22                the C2FC; and

23                (B) consult with and, based on the activi-  
24                ties described in paragraph (4), provide rec-  
25                ommendations to, the Board in the development

1 of and updates to the investment plan of the  
2 C2FC.

3 (d) INVESTMENT PLAN.—

4 (1) IN GENERAL.—The Board, in consultation  
5 with each working group described in subsection  
6 (c)(1), shall develop an investment plan (referred to  
7 in this subsection as the “investment plan”) for the  
8 C2FC in accordance with this subsection.

9 (2) PURPOSES.—The purposes of the invest-  
10 ment plan are—

11 (A) to ensure that investments made by  
12 the C2FC—

13 (i) are equitable and reach the  
14 prioritized communities described in sub-  
15 section (e)(2);

16 (ii) are effective at progressing to-  
17 wards the goals described in subsection  
18 (a)(2)(A)(ii);

19 (iii) support the advancement of re-  
20 search in clean technologies and resilience;  
21 and

22 (iv) are transparent to the public; and

23 (B) to provide methods and standards by  
24 which the Board and the working groups de-

1           scribed in subsection (c)(1) shall choose  
2           projects in which to invest.

3           (3) DISTRIBUTION OF GRANT FUNDS.—The ini-  
4           tial investment plan shall require that, of the total  
5           amount of grant funds provided under subsection  
6           (e)(3)(A) each year, not less than 40 percent shall  
7           be used to benefit communities described in sub-  
8           section (e)(2)(A).

9           (4) INVESTMENT PLAN UPDATES.—

10           (A) IN GENERAL.—The Board, in con-  
11           sultation with each working group described in  
12           subsection (c)(1), shall update the investment  
13           plan not later than December 31, 2023, and  
14           every 4 years thereafter, including by taking  
15           into account—

16                   (i) the current needs of the prioritized  
17                   communities described in subsection (e)(2);

18                   (ii) the effectiveness of the previous  
19                   investment plan in addressing the needs of  
20                   those communities;

21                   (iii) the current state of relevant re-  
22                   search and technology;

23                   (iv) the resiliency needs of local com-  
24                   munities;

1 (v) the goals described in subsection  
2 (a)(2)(A)(ii); and

3 (vi) the 2 most recent program re-  
4 views conducted under subsection (f).

5 (B) EFFECTIVENESS.—An investment plan  
6 shall remain in effect until the date on which  
7 the Board approves an updated investment  
8 plan.

9 (C) PUBLIC INPUT.—In updating the in-  
10 vestment plan, the Board and the working  
11 groups described in subsection (c)(1) shall—

12 (i) engage stakeholders and the public  
13 in a public comment and feedback process;  
14 and

15 (ii) ensure that the prioritized commu-  
16 nities described in subsection (e)(2) have  
17 access to participate in that process.

18 (5) PUBLIC UPDATES.—The Board shall make  
19 publicly available on a quarterly basis information  
20 relating to the expenditure of funds under the in-  
21 vestment plan.

22 (e) INVESTMENT TOOLS.—

23 (1) DEFINITIONS.—In this subsection:

24 (A) COMMUNITY OF COLOR.—The term  
25 “community of color” means a geographically

1 distinct area in which the population of any of  
2 the following categories of individuals is higher  
3 than the average population of that category for  
4 the State in which the community is located:

5 (i) Black.

6 (ii) African American.

7 (iii) Asian.

8 (iv) Pacific Islander.

9 (v) Other non-White race.

10 (vi) Hispanic.

11 (vii) Latino.

12 (viii) Linguistically isolated.

13 (B) ELIGIBLE BORROWER.—The term “eli-  
14 gible borrower” means any person, including a  
15 business owner or project developer, that seeks  
16 a loan to carry out approved practices or  
17 projects described in subparagraph (A)(i) of  
18 paragraph (3) from an eligible lender that may  
19 receive a loan guarantee under that paragraph  
20 for that loan, according to criteria determined  
21 by the C2FC.

22 (C) ELIGIBLE ENTITY.—The term “eligible  
23 entity” means—

24 (i) a State;

25 (ii) an Indian Tribe;

- 1 (iii) a unit of local government; and  
2 (iv) a research and development insti-  
3 tution (including a National Laboratory).

4 (D) ELIGIBLE LENDER.—The term “eligi-  
5 ble lender” means—

- 6 (i) a Federal- or State-chartered  
7 bank;  
8 (ii) a Federal- or State-chartered  
9 credit union;  
10 (iii) an agricultural credit corporation;  
11 (iv) a United States Green Bank In-  
12 stitution;  
13 (v) a community development finan-  
14 cial institution (as defined in section 103  
15 of the Community Development Banking  
16 and Financial Institutions Act of 1994 (12  
17 U.S.C. 4702));  
18 (vi) a minority depository institution  
19 (as defined in section 308(b) of the Finan-  
20 cial Institutions Reform, Recovery, and  
21 Enforcement Act of 1989 (12 U.S.C. 1463  
22 note; Public Law 101–73)); and  
23 (vii) any other lender that the Board  
24 determines has a demonstrated ability to  
25 underwrite and service loans for the in-

1           tended approved practice for which the  
2           loan will be used.

3           (E) ENVIRONMENTAL JUSTICE COMMU-  
4           NITY.—The term “environmental justice com-  
5           munity” means a community with significant  
6           representation of communities of color, low-in-  
7           come communities, or Tribal and indigenous  
8           communities that experiences, or is at risk of  
9           experiencing, higher or more adverse human  
10          health or environmental effects.

11          (F) INDIAN TRIBE.—The term “Indian  
12          Tribe” has the meaning given the term in sec-  
13          tion 4 of the Indian Self-Determination and  
14          Education Assistance Act (25 U.S.C. 5304).

15          (G) LOW-INCOME COMMUNITY.—The term  
16          “low-income community” means any census  
17          block group in which 30 percent or more of the  
18          population are individuals with an annual  
19          household income equal to, or less than, the  
20          greater of—

21                 (i) an amount equal to 80 percent of  
22                 the median income of the area in which the  
23                 household is located, as reported by the  
24                 Department of Housing and Urban Devel-  
25                 opment; and

1 (ii) 200 percent of the Federal pov-  
2 erty line.

3 (H) STATE.—The term “State” means—

4 (i) a State;

5 (ii) the District of Columbia;

6 (iii) the Commonwealth of Puerto  
7 Rico; and

8 (iv) any other territory or possession  
9 of the United States.

10 (2) COMMUNITY PRIORITIZATION.—In providing  
11 financial and other assistance under paragraph (3),  
12 the C2FC shall give priority to, as determined by  
13 the C2FC—

14 (A) environmental justice communities,  
15 communities with populations of color, commu-  
16 nities of color, indigenous communities, and  
17 low-income communities that—

18 (i) experience a disproportionate bur-  
19 den of the negative human health and en-  
20 vironmental impacts of pollution or other  
21 environmental hazards, such as natural  
22 disasters; or

23 (ii) may not have access to public in-  
24 formation and opportunities for meaningful  
25 public participation relating to human

1 health and environmental planning, regula-  
2 tions, and enforcement;

3 (B) deindustrialized communities or com-  
4 munities with significant local economic reliance  
5 on carbon-intensive industries;

6 (C) low-income communities at risk of im-  
7 pacts of natural disasters or sea level rise exac-  
8 erbated by climate change;

9 (D) public or nonprofit entities that serve  
10 dislocated workers, veterans, or individuals with  
11 a barrier to employment; and

12 (E) communities that have minimal or no  
13 investment in the approved practices and  
14 projects described in paragraph (3)(A)(i).

15 (3) GRANTS, LOAN GUARANTEES, AND OTHER  
16 INVESTMENT TOOLS.—

17 (A) IN GENERAL.—The C2FC—

18 (i) shall provide grants to eligible enti-  
19 ties and loan guarantees to eligible lenders  
20 issuing loans to eligible borrowers for ap-  
21 proved practices and projects relating to  
22 climate change mitigation and resilience  
23 measures, including—

24 (I) energy efficiency upgrades to  
25 infrastructure;

1 (II) electric, hydrogen, and clean  
2 transportation programs and deploy-  
3 ment, including programs—

4 (aa) to purchase personal  
5 vehicles, commercial vehicles, and  
6 public transportation fleets and  
7 school bus fleets;

8 (bb) to deploy electric vehi-  
9 cle charging and hydrogen infra-  
10 structure; and

11 (cc) to develop and deploy  
12 low carbon sustainable aviation  
13 fuels;

14 (III) clean energy and vehicle  
15 manufacturing research, demonstra-  
16 tions, and deployment;

17 (IV) battery storage research,  
18 demonstrations, and deployment;

19 (V) development or purchase of  
20 equipment for practices described in  
21 section 6;

22 (VI) development and deployment  
23 of clean energy and clean tech-  
24 nologies, with a focus on—

- 1 (aa) carbon capture, utiliza-  
2 tion, and sequestration, bioenergy  
3 with carbon capture and seques-  
4 tration, direct air capture, and  
5 infrastructure associated with  
6 those processes, including con-  
7 struction of carrier pipelines for  
8 the transportation of anthropo-  
9 genic carbon dioxide;
- 10 (bb) energy storage and grid  
11 modernization;
- 12 (cc) geothermal energy;
- 13 (dd) commercial and resi-  
14 dential solar;
- 15 (ee) wind energy; and
- 16 (ff) any other clean tech-  
17 nology use or development, as de-  
18 termined by the Board;
- 19 (VII) measures that anticipate  
20 and prepare for climate change im-  
21 pacts, and reduce risks and enhance  
22 resilience to sea level rise, extreme  
23 weather events, heat island impacts,  
24 and other climate change impacts, in-  
25 cluding by—

1 (aa) building resilient en-  
2 ergy, water, and transportation  
3 infrastructure;

4 (bb) providing weatheriza-  
5 tion assistance for low-income  
6 households; and

7 (cc) increasing the resilience  
8 of the agriculture sector; and

9 (VIII) natural infrastructure re-  
10 search, demonstrations, and deploy-  
11 ment; and

12 (ii) may implement other investment  
13 tools and products approved by the Board,  
14 pursuant to subparagraph (C), to achieve  
15 the mission of the C2FC described in sub-  
16 section (a)(2).

17 (B) LOAN GUARANTEES.—

18 (i) IN GENERAL.—In providing loan  
19 guarantees under subparagraph (A), the  
20 C2FC shall cooperate with eligible lenders  
21 through agreements to participate on a de-  
22 ferred (guaranteed) basis.

23 (ii) LEVEL OF PARTICIPATION IN  
24 GUARANTEED LOANS.—In providing a loan  
25 guarantee under subparagraph (A), the

1 C2FC shall guarantee 75 percent of the  
2 balance of the financing outstanding at the  
3 time of disbursement of the loan.

4 (iii) INTEREST RATES.—Notwith-  
5 standing the provisions of the constitution  
6 of any State or the laws of any State lim-  
7 iting the rate or amount of interest that  
8 may be charged, taken, received, or re-  
9 served, the maximum legal rate of interest  
10 on any financing made on a deferred basis  
11 under this subsection shall not exceed a  
12 rate prescribed by the C2FC.

13 (iv) GUARANTEE FEES.—

14 (I) IN GENERAL.—With respect  
15 to each loan guaranteed under this  
16 subsection (other than a loan that is  
17 repayable in 1 year or less), the C2FC  
18 shall collect a guarantee fee, which  
19 shall be payable by the eligible lender,  
20 and may be charged to the eligible  
21 borrower in accordance with subclause  
22 (II).

23 (II) BORROWER CHARGES.—A  
24 guarantee fee described in subclause

1 (I) charged to an eligible borrower  
2 shall not—

3 (aa) exceed 2 percent of the  
4 deferred participation share of a  
5 total loan amount that is equal to  
6 or less than \$150,000;

7 (bb) exceed 3 percent of the  
8 deferred participation share of a  
9 total loan amount that is greater  
10 than \$150,000 but less than  
11 \$700,000; or

12 (cc) exceed 3.5 percent of  
13 the deferred participation share  
14 of a total loan amount that is  
15 equal to or greater than  
16 \$700,000.

17 (C) OTHER INVESTMENT TOOLS AND  
18 PRODUCTS.—

19 (i) IN GENERAL.—The Board may,  
20 based on market needs, develop and imple-  
21 ment any other investment tool or product  
22 necessary to achieve the mission of the  
23 C2FC described in subsection (a)(2) and  
24 the deployment of projects described in  
25 subparagraph (A)(i), including offering—

- 1 (I) warehousing and aggregation  
 2 credit facilities;  
 3 (II) zero interest loans;  
 4 (III) credit enhancements; and  
 5 (IV) construction finance.

6 (ii) STATE AND LOCAL GREEN  
 7 BANKS.—The Board shall provide—

8 (I) funds to United States Green  
 9 Bank Institutions as necessary to fi-  
 10 nance projects that are best served by  
 11 those entities; and

12 (II) technical assistance as nec-  
 13 essary to States and localities seeking  
 14 to establish green banks.

15 (4) WAGE RATE REQUIREMENTS.—

16 (A) IN GENERAL.—All laborers and me-  
 17 chanics employed by eligible entities and eligible  
 18 borrowers on projects funded directly by or as-  
 19 sisted in whole or in part by the activities of the  
 20 C2FC under this section shall be paid at wages  
 21 at rates not less than those prevailing on  
 22 projects of a similar character in the locality as  
 23 determined by the Secretary of Labor in ac-  
 24 cordance with subchapter IV of chapter 31 of

1 title 40, United States Code (commonly known  
2 as the “Davis-Bacon Act”).

3 (B) AUTHORITY.—With respect to the  
4 labor standards specified in subparagraph (A),  
5 the Secretary of Labor shall have the authority  
6 and functions set forth in Reorganization Plan  
7 Numbered 14 of 1950 (64 Stat. 1267; 5 U.S.C.  
8 App.) and section 3145 of title 40, United  
9 States Code.

10 (5) BUY AMERICA REQUIREMENTS.—

11 (A) IN GENERAL.—All iron, steel, and  
12 manufactured goods used for projects under  
13 this section shall be produced in the United  
14 States.

15 (B) WAIVER.—The Board may waive the  
16 requirement in subparagraph (A) if the Board  
17 finds that—

18 (i) enforcing the requirement would be  
19 inconsistent with the public interest;

20 (ii) the iron, steel, and manufactured  
21 goods produced in the United States are  
22 not produced in a sufficient and reasonably  
23 available amount or are not of a satisfac-  
24 tory quality; or

1 (iii) enforcing the requirement will in-  
2 crease the overall cost of the project by  
3 more than 25 percent.

4 (f) PROGRAM REVIEW AND REPORT.—Not later than  
5 2 years after the date of enactment of this Act, and every  
6 2 years thereafter, the Board shall—

7 (1) conduct a review of the activities of the  
8 C2FC and identify projects and funding opportuni-  
9 ties that were a part of the current investment plan;  
10 and

11 (2) submit to Congress and make publicly avail-  
12 able a report that—

13 (A) describes the projects and funding op-  
14 portunities that have been most successful in  
15 progressing towards the mission described in  
16 subsection (a)(2) during the time period covered  
17 by the report;

18 (B) includes recommendations on the clean  
19 energy and resiliency projects that should be  
20 prioritized in forthcoming years to achieve that  
21 mission;

22 (C) quantifies the total amount and per-  
23 centage of funding given to prioritized commu-  
24 nities described in subsection (e)(2); and

1 (D) identifies barriers for disadvantaged  
 2 groups to receive C2FC funding and provides  
 3 recommendations to address those barriers.

4 (g) INITIAL CAPITALIZATION.—There is appropriated  
 5 to carry out this section, out of any funds in the Treasury  
 6 not otherwise appropriated, \$7,500,000,000 for each of  
 7 fiscal years 2022 and 2023, to remain available until ex-  
 8 pended.

9 **SEC. 3. CARBON FEE.**

10 (a) IN GENERAL.—Chapter 38 of subtitle D of the  
 11 Internal Revenue Code of 1986 is amended by adding at  
 12 the end the following new subchapter:

13 **“Subchapter E—Carbon Fee**

“Sec. 4691. Definitions.

“Sec. 4692. Carbon fee.

“Sec. 4693. Fee on noncovered fuel emissions.

“Sec. 4694. Refunds for carbon capture, sequestration, and utilization.

“Sec. 4695. Border adjustments.

14 **“SEC. 4691. DEFINITIONS.**

15 “For purposes of this subchapter—

16 “(1) ADMINISTRATOR.—The term ‘Adminis-  
 17 trator’ means the Administrator of the Environ-  
 18 mental Protection Agency.

19 “(2) CARBON DIOXIDE EQUIVALENT OR CO<sub>2</sub>-  
 20 E.—The term ‘carbon dioxide equivalent’ or ‘CO<sub>2</sub>-e’  
 21 means the number of metric tons of carbon dioxide  
 22 emissions with the same global warming potential

1 over a 100-year period as one metric ton of another  
2 greenhouse gas.

3 “(3) CARBON-INTENSIVE PRODUCT.—The term  
4 ‘carbon-intensive product’ means—

5 “(A) iron, steel, steel mill products (includ-  
6 ing pipe and tube), aluminum, cement, glass  
7 (including flat, container, and specialty glass  
8 and fiberglass), pulp, paper, chemicals, or in-  
9 dustrial ceramics, and

10 “(B) any manufactured product which the  
11 Secretary, in consultation with the Adminis-  
12 trator, the Secretary of Commerce, and the Sec-  
13 retary of Energy, determines is energy-intensive  
14 and trade-exposed (with the exception of any  
15 covered fuel).

16 “(4) COVERED ENTITY.—The term ‘covered en-  
17 tity’ means—

18 “(A) in the case of crude oil—

19 “(i) any operator of a United States  
20 refinery (as described in subsection (d)(1)  
21 of section 4611), and

22 “(ii) any person entering such product  
23 into the United States for consumption,  
24 use, or warehousing (as described in sub-  
25 section (d)(2) of such section),

1 “(B) in the case of coal—

2 “(i) any producer subject to the tax  
3 under section 4121, and

4 “(ii) any importer of coal into the  
5 United States,

6 “(C) in the case of natural gas—

7 “(i) any entity which produces natural  
8 gas (as defined in section 613A(e)(2))  
9 from a well located in the United States,  
10 and

11 “(ii) any importer of natural gas into  
12 the United States,

13 “(D) in the case of any noncovered fuel  
14 emissions, the entity which is the source of such  
15 emissions, provided that the total amount of  
16 carbon dioxide or methane emitted by such enti-  
17 ty for the preceding year (as determined using  
18 the methodology required under section  
19 4692(e)(4)) was not less than 25,000 metric  
20 tons, and

21 “(E) any entity or class of entities which,  
22 as determined by the Secretary, is transporting,  
23 selling, or otherwise using a covered fuel in a  
24 manner which emits a greenhouse gas into the  
25 atmosphere and which has not been covered by

1           the carbon fee, the fee on noncovered fuel emis-  
2           sions, or the carbon border fee adjustment.

3           “(5) COVERED FUEL.—The term ‘covered fuel’  
4           means crude oil, natural gas, coal, or any other  
5           product derived from crude oil, natural gas, or coal  
6           which shall be used so as to emit greenhouse gases  
7           to the atmosphere.

8           “(6) GREENHOUSE GAS.—The term ‘greenhouse  
9           gas’—

10                   “(A) has the meaning given such term in  
11                   section 901 of the Energy Independence and  
12                   Security Act of 2007 (42 U.S.C. 17321), and

13                   “(B) includes any other gases identified by  
14                   rule of the Administrator.

15           “(7) GREENHOUSE GAS CONTENT.—The term  
16           ‘greenhouse gas content’ means the amount of  
17           greenhouse gases, expressed in metric tons of CO<sub>2</sub>-  
18           e, which would be emitted to the atmosphere by the  
19           use of a covered fuel.

20           “(8) NONCOVERED FUEL EMISSION.—The term  
21           ‘noncovered fuel emission’ means any carbon dioxide  
22           or methane emitted as a result of the production,  
23           processing, transport, or use of any product or mate-  
24           rial within the energy or industrial sectors—

1           “(A) including any fugitive or process  
2           emissions associated with the production, proc-  
3           essing, or transport of a covered fuel, and

4           “(B) excluding any emissions from the  
5           combustion or use of a covered fuel.

6           “(9) QUALIFIED CARBON OXIDE.—The term  
7           ‘qualified carbon oxide’ has the meaning given the  
8           term in section 45Q(c).

9           “(10) UNITED STATES.—The term ‘United  
10          States’ shall be treated as including each possession  
11          of the United States (including the Commonwealth  
12          of Puerto Rico and the Commonwealth of the North-  
13          ern Mariana Islands).

14   **“SEC. 4692. CARBON FEE.**

15          “(a) DEFINITIONS.—In this section:

16               “(1) APPLICABLE PERIOD.—The term ‘applica-  
17               ble period’ means, with respect to any determination  
18               made by the Secretary under subsection (e)(3) for  
19               any calendar year, the period—

20                       “(A) beginning on January 1, 2023, and

21                       “(B) ending on December 31 of the pre-  
22               ceding calendar year.

23               “(2) CUMULATIVE EMISSIONS.—The term ‘cu-  
24               mulative emissions’ means an amount equal to the  
25               sum of any greenhouse gas emissions resulting from

1 the use of covered fuels and any noncovered fuel  
2 emissions for all years during the applicable period.

3 “(3) CUMULATIVE EMISSIONS TARGET.—The  
4 term ‘cumulative emissions target’ means an amount  
5 equal to the sum of the emissions targets for all  
6 years during the applicable period.

7 “(4) EMISSIONS TARGET.—The term ‘emissions  
8 target’ means the target for greenhouse gas emis-  
9 sions during a calendar year as determined under  
10 subsection (e)(1).

11 “(b) CARBON FEE.—During any calendar year that  
12 begins after December 31, 2022, there is imposed a car-  
13 bon fee on any covered entity’s use, sale, or transfer of  
14 any covered fuel.

15 “(c) AMOUNT OF THE CARBON FEE.—The carbon fee  
16 imposed by this section is an amount equal to—

17 “(1) the greenhouse gas content of the covered  
18 fuel, multiplied by

19 “(2) the carbon fee rate, as determined under  
20 subsection (d).

21 “(d) CARBON FEE RATE.—The carbon fee rate shall  
22 be determined in accordance with the following:

23 “(1) IN GENERAL.—The carbon fee rate, with  
24 respect to any use, sale, or transfer during a cal-  
25 endar year, shall be—

1           “(A) in the case of calendar year 2023,  
2           \$25, and

3           “(B) except as provided in paragraphs (2)  
4           and (3), in the case of any calendar year after  
5           2023, the amount equal to the sum of—

6                   “(i) the amount under subparagraph  
7                   (A), plus

8                   “(ii)(I) in the case of calendar year  
9                   2024, \$10, and

10                   “(II) in the case of any calendar year  
11                   after 2024, the amount in effect under this  
12                   clause for the preceding calendar year, plus  
13                   \$10.

14           “(2) INFLATION ADJUSTMENT.—

15                   “(A) IN GENERAL.—In the case of any cal-  
16                   endar year after 2023, the amount determined  
17                   under paragraph (1)(B) shall be increased by  
18                   an amount equal to—

19                           “(i) that dollar amount, multiplied by

20                           “(ii) the cost-of-living adjustment de-  
21                           termined under section 1(f)(3) for that cal-  
22                           endar year, determined by substituting  
23                           ‘2022’ for ‘2016’ in subparagraph (A)(ii)  
24                           thereof.

1           “(B) ROUNDING.—If any increase deter-  
2 mined under subparagraph (A) is not a multiple  
3 of \$1, such increase shall be rounded up to the  
4 next whole dollar amount.

5           “(3) ADJUSTMENT OF CARBON FEE RATE.—

6           “(A) INCREASE IN RATE FOLLOWING  
7 MISSED CUMULATIVE EMISSIONS TARGET.—In  
8 the case of any calendar year following a deter-  
9 mination by the Secretary pursuant to sub-  
10 section (e)(3) that the cumulative emissions for  
11 the preceding calendar year exceeded the cumu-  
12 lative emissions target for such year, paragraph  
13 (1)(B)(ii)(II) shall be applied—

14           “(i) in the case of calendar years  
15 2026 through 2030, by substituting ‘\$15’  
16 for ‘\$10’,

17           “(ii) in the case of calendar years  
18 2031 through 2040, by substituting ‘\$20’  
19 for ‘\$10’, and

20           “(iii) in the case of any calendar year  
21 beginning after 2040, by substituting ‘\$25’  
22 for ‘\$10’.

23           “(B) CESSATION OF RATE INCREASE FOL-  
24 LOWING ACHIEVEMENT OF CUMULATIVE EMIS-  
25 SIONS TARGET.—In the case of any year fol-

1           lowing a determination by the Secretary pursu-  
2           ant to subsection (e)(3) that—

3                   “(i) the average annual emissions of  
4                   greenhouse gases from covered entities  
5                   over the preceding 3-year period are not  
6                   more than 10 percent of the greenhouse  
7                   gas emissions during the year 2018, and

8                   “(ii) the cumulative emissions did not  
9                   exceed the cumulative emissions target,  
10           paragraph (1)(B)(ii)(II) shall be applied by  
11           substituting ‘\$0’ for ‘\$10’.

12                   “(C) METHODOLOGY.—With respect to  
13                   any year, the annual greenhouse gas emissions  
14                   and cumulative emissions described in subpara-  
15                   graph (A) or (B) shall be determined using the  
16                   methodology required under subsection (e)(4).

17           “(e) EMISSIONS TARGETS.—

18                   “(1) IN GENERAL.—

19                   “(A) REFERENCE YEAR.—For purposes of  
20                   subsection (d), the emissions target for any  
21                   year shall be the amount of greenhouse gas  
22                   emissions that is equal to—

23                   “(i) for calendar years 2023 and  
24                   2024, the applicable percentage of the total  
25                   amount of greenhouse gas emissions from

1 the use of any covered fuel during calendar  
2 year 2018, and

3 “(ii) for calendar year 2025 and each  
4 calendar year thereafter, the applicable  
5 percentage of the total amount of green-  
6 house gas emissions from the use of any  
7 covered fuel and noncovered fuel emissions  
8 during calendar year 2018.

9 “(B) METHODOLOGY.—For purposes of  
10 subparagraph (A), with respect to determining  
11 the total amount of greenhouse gas emissions  
12 from the use of any covered fuel and non-  
13 covered fuel emissions during calendar year  
14 2018, the Administrator shall use such methods  
15 as are determined appropriate, provided that  
16 such methods are, to the greatest extent prac-  
17 ticable, comparable to the methods established  
18 under paragraph (4).

19 “(2) APPLICABLE PERCENTAGE.—

20 “(A) 2023 THROUGH 2035.—In the case of  
21 calendar years 2023 through 2035, the applica-  
22 ble percentage shall be determined as follows:

<b>“Year</b>	<b>Applicable percentage</b>
2023 .....	81 percent
2024 .....	75 percent
2025 .....	70 percent
2026 .....	67 percent
2027 .....	63 percent
2028 .....	60 percent
2029 .....	57 percent

<b>“Year</b>	<b>Applicable percentage</b>
2030 .....	55 percent
2031 .....	52 percent
2032 .....	49 percent
2033 .....	46 percent
2034 .....	43 percent
2035 .....	40 percent

1                   “(B) 2036 THROUGH 2050.—In the case of  
 2                   calendar years 2036 through 2050, the applica-  
 3                   ble percentage shall be equal to—

4                               “(i) the applicable percentage for the  
 5                               preceding year, minus

6                               “(ii) 2 percentage points.

7                   “(C) AFTER 2050.—In the case of any cal-  
 8                   endar year beginning after 2050, the applicable  
 9                   percentage shall be equal to 10 percent.

10                   “(3) EMISSIONS REPORTING AND DETERMINA-  
 11                   TIONS.—

12                               “(A) REPORTING.—Not later than Sep-  
 13                               tember 30, 2024, and annually thereafter, the  
 14                               Administrator, in consultation with the Sec-  
 15                               retary, shall make available to the public a re-  
 16                               port on—

17                               “(i) the cumulative emissions with re-  
 18                               spect to the preceding calendar year, and

19                               “(ii) any other relevant information,  
 20                               as determined appropriate by the Adminis-  
 21                               trator.

1           “(B) DETERMINATIONS.—Not later than  
2           September 30, 2025, and annually thereafter,  
3           the Administrator, in consultation with the Sec-  
4           retary and as part of the report described in  
5           subparagraph (A), shall determine whether cu-  
6           mulative emissions with respect to the pre-  
7           ceding calendar year exceeded the cumulative  
8           emissions target with respect to such year.

9           “(4) EMISSIONS ACCOUNTING METHOD-  
10          OLOGY.—

11           “(A) IN GENERAL.—Not later than Janu-  
12           ary 1, 2023, the Administrator shall prescribe  
13           rules for greenhouse gas accounting for covered  
14           entities for purposes of this subchapter, which  
15           shall—

16                   “(i) to the greatest extent practicable,  
17                   employ existing data collection methodolo-  
18                   gies and greenhouse gas accounting prac-  
19                   tices,

20                   “(ii) ensure that the method of ac-  
21                   counting—

22                           “(I) applies to—

23                                   “(aa) all greenhouse gas  
24                                   emissions from covered fuels and

1 all noncovered fuel emissions,  
2 and

3 “(bb) all covered entities,

4 “(II) excludes—

5 “(aa) any greenhouse gas  
6 emissions which are not described  
7 item (aa) of subclause (I), and

8 “(bb) any entities which are  
9 not described in item (bb) of  
10 such subclause, and

11 “(III) appropriately accounts  
12 for—

13 “(aa) qualified carbon oxide  
14 which is captured and disposed  
15 or used in a manner described in  
16 section 4694, and

17 “(bb) nonemitting uses of  
18 covered fuels, as described in  
19 subsection (f),

20 “(iii) subject to such penalties as are  
21 determined appropriate by the Adminis-  
22 trator, require any covered entity to report,  
23 not later than April 1 of each calendar  
24 year—

1           “(I) the total greenhouse gas  
2           content of any covered fuels used,  
3           sold, or transferred by such covered  
4           entity during the preceding calendar  
5           year, and

6           “(II) the total noncovered fuel  
7           emissions of the covered entity during  
8           the preceding calendar year, and

9           “(iv) require any information reported  
10          pursuant to clause (iii) to be verified by a  
11          third-party entity that, subject to such  
12          process as is determined appropriate by  
13          the Administrator, has been certified by  
14          the Administrator with respect to the  
15          qualifications, independence, and reliability  
16          of such entity.

17          “(B) GREENHOUSE GAS REPORTING PRO-  
18          GRAM.—For purposes of establishing the rules  
19          described in subparagraph (A), the Adminis-  
20          trator may elect to modify the activities of the  
21          Greenhouse Gas Reporting Program to satisfy  
22          the requirements described in clauses (i)  
23          through (iv) of such subparagraph.

24          “(5) REVISIONS.—With respect to any deter-  
25          mination made by the Administrator as to the

1 amount of greenhouse gas emissions for any cal-  
2 endar year (including calendar year 2018), any sub-  
3 sequent revision by the Administrator with respect  
4 to such amount shall apply for purposes of the fee  
5 imposed under subsection (b) for any calendar years  
6 beginning after such revision.

7 “(f) EXEMPTION AND REFUND.—The Secretary shall  
8 prescribe such rules as are necessary to ensure the carbon  
9 fee imposed by this section is not imposed with respect  
10 to any nonemitting use, or any sale or transfer for a non-  
11 emitting use, including rules providing for the refund of  
12 any carbon fee paid under this section with respect to any  
13 such use, sale, or transfer.

14 “(g) ADMINISTRATIVE AUTHORITY.—The Secretary,  
15 in consultation with the Administrator, shall prescribe  
16 such regulations, and other guidance, to assess and collect  
17 the carbon fee imposed by this section, including—

18 “(1) the identification of covered entities that  
19 are liable for payment of a fee under this section or  
20 section 4693,

21 “(2) as may be necessary or convenient, rules  
22 for distinguishing between different types of covered  
23 entities,

24 “(3) as may be necessary or convenient, rules  
25 for distinguishing between the greenhouse gas emis-

1 sions of a covered entity and the greenhouse gas  
2 emissions that are attributed to the covered entity  
3 but not directly emitted by the covered entity,

4 “(4) requirements for the quarterly payment of  
5 such fees, and

6 “(5) rules to ensure that the carbon fee under  
7 this section, the fee on noncovered fuel emissions  
8 under section 4693, or the carbon border fee adjust-  
9 ment is not imposed on an emission from covered  
10 fuel or noncovered fuel emission more than once.

11 **“SEC. 4693. FEE ON NONCOVERED FUEL EMISSIONS.**

12 “(a) IN GENERAL.—During any calendar year that  
13 begins after December 31, 2024, there is imposed a fee  
14 on a covered entity for any noncovered fuel emissions  
15 which occur during the calendar year.

16 “(b) AMOUNT.—The fee to be paid under subsection  
17 (a) by the covered entity which is the source of the emis-  
18 sions described in that subsection shall be an amount  
19 equal to—

20 “(1) the total amount, in metric tons of CO<sub>2</sub>-  
21 e, of emitted greenhouse gases, multiplied by

22 “(2) an amount equal to the carbon fee rate in  
23 effect under section 4692(d) for the calendar year of  
24 such emission.



1           “(A) shall be allowable to the person that  
2           owns the facility described in subsection (b)(1),  
3           and

4           “(B) shall not be allowable to the person  
5           described in paragraph (1).

6           “(b) PAYMENTS FOR CARBON CAPTURE.—

7           “(1) IN GENERAL.—In the case of any facility  
8           for which carbon capture equipment has been placed  
9           in service, the Secretary shall make payments in the  
10          same manner as if such payment was a refund of an  
11          overpayment of the fee imposed by section 4692 or  
12          4693.

13          “(2) AMOUNT OF PAYMENT.—The payment de-  
14          termined under this subsection shall be an amount  
15          equal to—

16                 “(A) the metric tons of qualified carbon  
17                 oxide captured and disposed of, used, or utilized  
18                 in a manner consistent with subsection (a),  
19                 multiplied by

20                 “(B)(i) the carbon fee rate during the year  
21                 in which the carbon fee was imposed by section  
22                 4692 on the covered fuel to which such carbon  
23                 oxide relates, or

24                 “(ii) in the case of a direct air capture fa-  
25                 cility (as defined in section 45Q(e)(1)), the car-

1           bon fee rate during the year in which the quali-  
2           fied carbon oxide was captured and disposed of,  
3           used, or utilized.

4           “(c) APPROVED USES OF QUALIFIED CARBON  
5 OXIDE.—The Secretary, in consultation with Adminis-  
6 trator and the Secretary of Energy, shall, through regula-  
7 tion or other public guidance, determine which uses of  
8 qualified carbon oxide are eligible for payments under this  
9 section, which may include—

10           “(1) utilization in a manner described in clause  
11           (i) or (ii) of section 45Q(f)(5)(A), or

12           “(2) any other use which ensures minimal leak-  
13           age or escape of such carbon oxide.

14           “(d) EXCEPTION.—In the case of any facility which  
15 is owned by an entity that is determined to be—

16           “(1) in violation of any applicable air or water  
17           quality regulations, or

18           “(2) with respect to any environmental justice  
19           community (as defined in section 2(d)(1)(D) of the  
20           America’s Clean Future Fund Act), creating health  
21           or environmental harm to such community,

22 such facility shall not be eligible for any payment under  
23 this section during the period of such violation.

1 **“SEC. 4695. BORDER ADJUSTMENTS.**

2 “(a) IN GENERAL.—The fees imposed by, and re-  
3 funds allowed under, this section shall be referred to as  
4 ‘the carbon border fee adjustment’.

5 “(b) EXPORTS.—

6 “(1) CARBON-INTENSIVE PRODUCTS.—In the  
7 case of any carbon-intensive product which is ex-  
8 ported from the United States, the Secretary shall  
9 pay to the person exporting such product a refund  
10 equal to the amount of the cost of such product at-  
11 tributable to any fees imposed under this subchapter  
12 related to the manufacturing of such product (as de-  
13 termined under regulations established by the Sec-  
14 retary).

15 “(2) COVERED FUELS.—In the case of any cov-  
16 ered fuel which is exported from the United States,  
17 the Secretary shall pay to the person exporting such  
18 fuel a refund equal to the amount of the cost of such  
19 fuel attributable to any fees imposed under this sub-  
20 chapter related to the use, sale, or transfer of such  
21 fuel.

22 “(c) IMPORTS.—

23 “(1) CARBON-INTENSIVE PRODUCTS.—

24 “(A) IMPOSITION OF EQUIVALENCY FEE.—

25 In the case of any carbon-intensive product im-  
26 ported into the United States, there is imposed

1 an equivalency fee on the person importing such  
2 product in an amount equal to the cost of such  
3 product that would be attributable to any fees  
4 imposed under this subchapter related to the  
5 manufacturing of such product if any inputs or  
6 processes used in manufacturing such product  
7 were subject to such fees (as determined under  
8 regulations established by the Secretary).

9 “(B) REDUCTION IN FEE.—The amount of  
10 the equivalency fee under subparagraph (A)  
11 shall be reduced by the amount, if any, of any  
12 fees imposed on the carbon-intensive product by  
13 the foreign nation or governmental units from  
14 which such product was imported.

15 “(2) COVERED FUELS.—

16 “(A) IN GENERAL.—In the case of any  
17 covered fuel imported into the United States,  
18 there is imposed a fee on the person importing  
19 such fuel in an amount equal to the amount of  
20 any fees that would be imposed under this sub-  
21 chapter related to the use, sale, or transfer of  
22 such fuel.

23 “(B) REDUCTION IN FEE.—The amount of  
24 the fee under subparagraph (A) shall be re-  
25 duced by the amount, if any, of any fees im-

1           posed on the covered fuel by the foreign nation  
2           or governmental units from which the fuel was  
3           imported.

4           “(d) TREATMENT OF ALTERNATIVE POLICIES AS  
5 FEES.—Under regulations established by the Secretary,  
6 foreign policies that have substantially the same effect in  
7 reducing emissions of greenhouse gases as fees shall be  
8 treated as fees for purposes of subsections (b) and (c).

9           “(e) REGULATORY AUTHORITY.—

10           “(1) IN GENERAL.—The Secretary shall consult  
11 with the Administrator, the Secretary of Commerce,  
12 and the Secretary of Energy in establishing rules  
13 and regulations implementing the purposes of this  
14 section.

15           “(2) TREATIES.—The Secretary, in consulta-  
16 tion with the Secretary of State, may adjust the ap-  
17 plicable amounts of the refunds and equivalency fees  
18 under this section in a manner that is consistent  
19 with any obligations of the United States under an  
20 international agreement.”.

21           (b) EFFECTIVE DATE.—The amendment made by  
22 this section shall apply to periods beginning after Decem-  
23 ber 31, 2022.

1 **SEC. 4. AMERICA'S CLEAN FUTURE 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:

5 **“SEC. 9512. AMERICA'S CLEAN FUTURE FUND.**

6 “(a) ESTABLISHMENT AND FUNDING.—There is es-  
7 tablished in the Treasury of the United States a trust fund  
8 to be known as the ‘America’s Clean Future Fund’ (re-  
9 ferred to in this section as the ‘Trust Fund’), consisting  
10 of such amounts as are appropriated to the Trust Fund  
11 under subsection (b).

12 “(b) TRANSFERS TO AMERICA'S CLEAN FUTURE  
13 FUND.—There is appropriated to the Trust Fund, out of  
14 any funds in the Treasury not otherwise appropriated,  
15 amounts equal to the fees received into the Treasury  
16 under sections 4692, 4693, and 4695, less—

17 “(1) any amounts refunded or paid under sec-  
18 tions 4692(d), 4694, and 4695(b), and

19 “(2) for each of the first 18 fiscal years begin-  
20 ning after September 30, 2023, an amount equal to  
21 the quotient of—

22 “(A) \$100,000,000,000, and

23 “(B) 18.

24 “(c) EXPENDITURES.—For each fiscal year, amounts  
25 in the Trust Fund shall be apportioned as follows:

1           “(1) CARBON FEE REBATE AND AGRICULTURAL  
2       DECARBONIZATION TRANSITION PAYMENTS.—

3           “(A) CARBON FEE REBATE.—For the pur-  
4       poses described in section 5 of the America’s  
5       Clean Future Fund Act and any expenses nec-  
6       essary to administer such section—

7           “(i) for each of the first 10 fiscal  
8       years beginning after September 30, 2023,  
9       an amount equal to—

10           “(I) 75 percent of those amounts,

11           minus

12           “(II) the amount determined  
13       under subparagraph (B) for such fis-  
14       cal year, and

15           “(ii) for any fiscal year beginning  
16       after the period described in clause (i), the  
17       applicable percentage of such amounts.

18           “(B) AGRICULTURAL DECARBONIZATION  
19       TRANSITION PAYMENTS.—For the purposes de-  
20       scribed in section 6 of the America’s Clean Fu-  
21       ture Fund Act, for each of the first 10 fiscal  
22       years beginning after September 30, 2023, an  
23       amount equal to 7 percent of the amount deter-  
24       mined annually under subparagraph (A)(i)(I).

1           “(C) APPLICABLE PERCENTAGE.—For  
2 purposes of subparagraph (A)(ii), the applicable  
3 percentage shall be equal to—

4           “(i) for the first fiscal year beginning  
5 after the period described in subparagraph  
6 (A)(i), 76 percent,

7           “(ii) for each of the first 3 fiscal years  
8 subsequent to the period described in  
9 clause (i), the applicable percentage for the  
10 preceding fiscal year increased by 1 per-  
11 centage point, and

12           “(iii) for any fiscal year subsequent to  
13 the period described in clause (ii), 80 per-  
14 cent.

15           “(2) CLIMATE CHANGE FINANCE CORPORA-  
16 TION.—

17           “(A) IN GENERAL.—For the purposes de-  
18 scribed in section 2 of the America’s Clean Fu-  
19 ture Fund Act, the applicable percentage of  
20 such amounts.

21           “(B) APPLICABLE PERCENTAGE.—For  
22 purposes of this paragraph, the applicable per-  
23 centage shall be equal to—

24           “(i) for each of the first 10 fiscal  
25 years beginning after the period described

1 in subsection (e) of such section, 15 per-  
2 cent,

3 “(ii) for each of the first 4 fiscal years  
4 subsequent to the period described in  
5 clause (i), the applicable percentage for the  
6 preceding fiscal year increased by 1 per-  
7 centage point, and

8 “(iii) for any fiscal year subsequent to  
9 the period described in clause (ii), 20 per-  
10 cent.

11 “(3) TRANSITION ASSISTANCE FOR IMPACTED  
12 COMMUNITIES.—

13 “(A) IN GENERAL.—For the purposes de-  
14 scribed in section 7 of the America’s Clean Fu-  
15 ture Fund Act, the applicable percentage of  
16 such amounts.

17 “(B) APPLICABLE PERCENTAGE.—For  
18 purposes of this paragraph, the applicable per-  
19 centage shall be equal to—

20 “(i) for each of the first 10 fiscal  
21 years beginning after September 30, 2023,  
22 10 percent,

23 “(ii) for each of the first 4 fiscal years  
24 subsequent to the period described in  
25 clause (i), the applicable percentage for the

1 preceding fiscal year reduced by 2 percent-  
2 age points, and

3 “(iii) for any fiscal year subsequent to  
4 the period described in clause (ii), 0 per-  
5 cent.”.

6 (b) CLERICAL AMENDMENT.—The table of sections  
7 for subchapter A of chapter 98 of the Internal Revenue  
8 Code of 1986 is amended by adding at the end the fol-  
9 lowing new item:

“Sec. 9512. America’s Clean Future Fund.”.

10 **SEC. 5. AMERICA’S CLEAN FUTURE FUND STIMULUS.**

11 (a) ELIGIBLE INDIVIDUAL.—

12 (1) IN GENERAL.—In this section, the term “el-  
13 igible individual” means, with respect to any quar-  
14 ter, any natural living person—

15 (A) who has a valid Social Security num-  
16 ber or taxpayer identification number,

17 (B) who has attained 18 years of age, and

18 (C) whose principal place of abode is in the  
19 United States for more than one-half of the  
20 most recent taxable year for which a return has  
21 been filed.

22 (2) VERIFICATION.—The Secretary of the  
23 Treasury, or the Secretary’s delegate (referred to in  
24 this section as the “Secretary”) may verify the eligi-

1 bility of an individual to receive a carbon fee rebate  
2 payment under subsection (b).

3 (b) REBATES.—Subject to subsections (c)(2) and (k),  
4 from amounts in the America’s Clean Future Fund estab-  
5 lished by section 9512(c)(1)(A) of the Internal Revenue  
6 Code of 1986 that are available in any year, the Secretary  
7 shall, for each calendar quarter beginning after September  
8 30, 2023, make carbon fee rebate payments to each eligi-  
9 ble individual, to be known as “America’s Clean Future  
10 Fund Stimulus payments” (referred to in this section as  
11 “carbon fee rebate payments”).

12 (c) PRO-RATA SHARE.—

13 (1) IN GENERAL.—With respect to each quarter  
14 during any fiscal year beginning after September 30,  
15 2023, the carbon fee rebate payment is 1 pro-rata  
16 share for each eligible individual of an amount equal  
17 to 25 percent of amounts apportioned under section  
18 9512(c)(1)(A) of the Internal Revenue Code of 1986  
19 for such fiscal year.

20 (2) INITIAL ANNUAL REBATE PAYMENTS.—

21 (A) IN GENERAL.—From amounts appro-  
22 priated under subsection (j), the Secretary  
23 shall, for each of fiscal years 2022 and 2023,  
24 make carbon fee rebate payments to each eligi-

1           ble individual during the third quarter of each  
2           such fiscal year.

3           (B) PRO-RATA SHARE.—For purposes of  
4           this paragraph, the carbon fee rebate payment  
5           is 1 pro-rata share for each eligible individual  
6           of the amount appropriated under subsection (j)  
7           for the fiscal year.

8           (3) ESTIMATE.—For each fiscal year described  
9           in paragraph (1), the Secretary shall, not later than  
10          the first day of such fiscal year, publicly announce  
11          an estimate of the amount of the carbon fee rebate  
12          payment for each quarter during such fiscal year.

13         (d) PHASEOUT.—

14           (1) DEFINITIONS.—In this subsection:

15           (A) MODIFIED ADJUSTED GROSS IN-  
16           COME.—The term “modified adjusted gross in-  
17           come” means adjusted gross income increased  
18           by any amount excluded from gross income  
19           under section 911, 931, or 933 of the Internal  
20           Revenue Code of 1986.

21           (B) HOUSEHOLD MEMBER.—The term  
22           “household member of the taxpayer” means the  
23           taxpayer, the taxpayer’s spouse, and any de-  
24           pendent of the taxpayer.

1 (C) THRESHOLD AMOUNT.—The term  
2 “threshold amount” means—

3 (i) \$150,000 in the case of a taxpayer  
4 filing a joint return, and

5 (ii) \$75,000 in the case of a taxpayer  
6 not filing a joint return.

7 (2) PHASEOUT OF PAYMENTS.—In the case of  
8 any taxpayer whose modified adjusted gross income  
9 for the most recent taxable year for which a return  
10 has been filed exceeds the threshold amount, the  
11 amount of the carbon fee rebate payment otherwise  
12 payable to any household member of the taxpayer  
13 under this section shall be reduced (but not below  
14 zero) by a dollar amount equal to 5 percent of such  
15 payment (as determined before application of this  
16 paragraph) for each \$1,000 (or fraction thereof) by  
17 which the modified adjusted gross income of the tax-  
18 payer exceeds the threshold amount.

19 (e) FEE TREATMENT OF PAYMENTS.—Amounts paid  
20 under this section shall not be includible in gross income  
21 for purposes of Federal income taxes.

22 (f) FEDERAL PROGRAMS AND FEDERAL ASSISTED  
23 PROGRAMS.—The carbon fee rebate payment received by  
24 any eligible individual shall not be taken into account as  
25 income and shall not be taken into account as resources

1 for purposes of determining the eligibility of such indi-  
2 vidual or any other individual for benefits or assistance,  
3 or the amount or extent of benefits or assistance, under  
4 any Federal program or under any State or local program  
5 financed in whole or in part with Federal funds.

6 (g) DISCLOSURE OF RETURN INFORMATION.—Sec-  
7 tion 6103(l) of the Internal Revenue Code of 1986 is  
8 amended by adding at the end the following new para-  
9 graph:

10 “(23) DISCLOSURE OF RETURN INFORMATION  
11 RELATING TO CARBON FEE REBATE PAYMENTS.—

12 “(A) DEPARTMENT OF TREASURY.—Re-  
13 turn information with respect to any taxpayer  
14 shall, without written request, be open to in-  
15 spection by or disclosure to officers and employ-  
16 ees of the Department of the Treasury whose  
17 official duties require such inspection or disclo-  
18 sure for purposes of administering section 5 of  
19 the America’s Clean Future Fund Act.

20 “(B) RESTRICTION ON DISCLOSURE.—In-  
21 formation disclosed under this paragraph shall  
22 be disclosed only for purposes of, and to the ex-  
23 tent necessary in, carrying out such section.”.

1 (h) REGULATIONS.—The Secretary shall prescribe  
2 such regulations, and other guidance, as may be necessary  
3 to carry out the purposes of this section, including—

4 (1) establishment of rules for eligible individ-  
5 uals who have not filed a recent tax return, and

6 (2) in coordination with the Commissioner of  
7 Social Security, the Secretary of Veterans Affairs,  
8 and any relevant State agencies, establish methods  
9 to identify eligible individuals and provide carbon fee  
10 rebate payments to such individuals through appro-  
11 priate means of distribution, including through the  
12 use of electronic benefit transfer cards.

13 (i) PUBLIC AWARENESS CAMPAIGN.—The Secretary  
14 shall conduct a public awareness campaign, in coordina-  
15 tion with the Commissioner of Social Security, the heads  
16 of other relevant Federal agencies, and Indian Tribes (as  
17 defined in section 4 of the Indian Self-Determination and  
18 Education Assistance Act (25 U.S.C. 5304)), to provide  
19 information to the public regarding the availability of car-  
20 bon fee rebate payments under this section.

21 (j) INITIAL APPROPRIATION.—For purposes of sub-  
22 section (c)(2), there is appropriated, out of any funds in  
23 the Treasury not otherwise appropriated, to remain avail-  
24 able until expended—

1 (1) for the fiscal year ending September 30,  
2 2022, \$37,500,000,000, and

3 (2) for the fiscal year ending September 30,  
4 2023, \$37,500,000,000.

5 (k) TERMINATION.—This section shall not apply to  
6 any calendar quarter beginning after—

7 (1) a determination by the Secretary under sec-  
8 tion 4692(d)(3)(B) of the Internal Revenue Code of  
9 1986; or

10 (2) any period of 8 consecutive calendar quar-  
11 ters for which the amount of carbon fee rebate pay-  
12 ment (without application of subsection (d)) during  
13 each such quarter is less than \$20.

14 **SEC. 6. AGRICULTURAL DECARBONIZATION TRANSITION**  
15 **PAYMENTS.**

16 (a) PURPOSES.—The purposes of this section are—

17 (1) to provide transition assistance to eligible  
18 producers in the agricultural, livestock, and forestry  
19 sectors to prepare for and facilitate entry into pri-  
20 vate sector greenhouse gas credit markets; and

21 (2) to provide for the collection and reporting  
22 of data under subsection (d).

23 (b) DEFINITIONS.—In this section:

24 (1) ELIGIBLE LAND.—

1 (A) IN GENERAL.—The term “eligible  
2 land” means land in the United States—

3 (i) on which farming, ranching, or for-  
4 estry may physically and legally be con-  
5 ducted; and

6 (ii) that is—

7 (I) cropland, grassland,  
8 pastureland, rangeland, hayland, or  
9 other land on which food, feed, fiber,  
10 crops, livestock, or other agricultural  
11 products are produced or capable of  
12 being produced; or

13 (II) nonindustrial private forest  
14 land (as defined in section 5(c) of the  
15 Cooperative Forestry Assistance Act  
16 of 1978 (16 U.S.C. 2103a(c))).

17 (B) INCLUSION OF TRIBAL LAND.—The  
18 term “eligible land” includes land described in  
19 subparagraph (A) that is Indian land (as de-  
20 fined in section 2601 of the Energy Policy Act  
21 of 1992 (25 U.S.C. 3501)).

22 (2) ELIGIBLE PRODUCER.—The term “eligible  
23 producer” means an individual or legal entity that—

24 (A) is an owner, operator, or tenant of eli-  
25 gible land;

1 (B) has control over the eligible land;

2 (C) is actively engaged in farming, ranch-  
3 ing, or forestry on the eligible land, as deter-  
4 mined by the Secretary;

5 (D) bears the risk of loss of the farming,  
6 ranching, or forestry on the eligible land; and

7 (E) has the ability to enter into an agree-  
8 ment with the Secretary to carry out qualifying  
9 practices described in subsection (c)(2) under  
10 the program.

11 (3) GREENHOUSE GAS EMISSIONS REDUC-  
12 TION.—The term “greenhouse gas emissions reduc-  
13 tion” means the reduction in greenhouse gas emis-  
14 sions as a result of the adoption of qualifying prac-  
15 tices described in subsection (c)(2), as compared to  
16 a historical baseline.

17 (4) HISTORICALLY UNDERSERVED.—The term  
18 “historically underserved”, with respect to an eligible  
19 producer, means that the eligible producer—

20 (A) is American Indian or Alaskan Native;

21 (B) is Asian or Asian American;

22 (C) is Black or African American;

23 (D) is Native Hawaiian or Pacific Islander;

24 (E) is Hispanic;

25 (F) is disabled;

1 (G) is female;

2 (H) is new to farming, ranching, or for-  
3 forestry, as determined by the Secretary;

4 (I)(i) has served in the United States  
5 Armed Forces; and

6 (ii)(I) has not operated a farm, ranch, or  
7 forestry operation;

8 (II) is new to farming, ranching, or for-  
9 forestry, as determined by the Secretary; or

10 (III) first obtained veteran status during  
11 the previous 5-year period; or

12 (J) is an owner, operator, or tenant of a  
13 limited resource farming, ranching, or forestry  
14 operation or has a household income not great-  
15 er than the national poverty level.

16 (5) PROGRAM.—The term “program” means  
17 the program established under subsection (c)(1).

18 (6) SECRETARY.—The term “Secretary” means  
19 the Secretary of Agriculture.

20 (c) ESTABLISHMENT OF PROGRAM.—

21 (1) IN GENERAL.—The Secretary, in consulta-  
22 tion with the Administrator of the Environmental  
23 Protection Agency, shall establish a program to pro-  
24 vide payments to eligible producers that will assist  
25 with the transition to reducing greenhouse gas emis-

1 sions through the adoption of qualifying practices  
2 described in paragraph (2).

3 (2) QUALIFYING PRACTICES.—

4 (A) IN GENERAL.—To be eligible for pay-  
5 ments under the program, a practice shall be—

6 (i) approved by the Secretary; and

7 (ii) measurable, reportable, and  
8 verifiable for reducing greenhouse gas  
9 emissions, as determined by the Secretary.

10 (B) INCLUDED PRACTICES.—Practices that  
11 the Secretary may determine to be qualifying  
12 practices under the program include—

13 (i) improved crop, soil health, water,  
14 and land management systems, includ-  
15 ing—

16 (I) diversified soil health-enhanc-  
17 ing cropping systems that may include  
18 resource-conserving crop rotations,  
19 cover crops, and sod crops;

20 (II) conservation plantings, such  
21 as prairie strips, contour grass strips,  
22 filter strips and riparian buffers, field  
23 borders, hedgerows, windbreaks, alley  
24 cropping, and silvopasture or other  
25 agroforestry plantings;

- 1 (III) conservation tillage;
- 2 (IV) fertilizer practice improve-
- 3 ments, including biologically based nu-
- 4 trient management;
- 5 (V) ecologically appropriate refor-
- 6 estation and other sustainable forestry
- 7 and related stewardship practices;
- 8 (VI) application of soil carbon
- 9 amendments, such as compost or
- 10 biochar;
- 11 (VII) restoration or avoidance of
- 12 the conversion of grassland, wetland,
- 13 and forest land; and
- 14 (VIII) the adoption of organic
- 15 and other similar advanced
- 16 agroecological production systems;
- 17 (ii) livestock management, including—
- 18 (I) enteric fermentation reduc-
- 19 tion, including—
- 20 (aa) improved feed, forage,
- 21 and grazing; and
- 22 (bb) feed additives approved
- 23 by the Commissioner of Food
- 24 and Drugs;

1 (II) improved manure manage-  
2 ment, including anaerobic digesters;  
3 and

4 (III) the integration of livestock  
5 and crop production;

6 (iii) on-site capital upgrades and in-  
7 frastructure investments, including—

8 (I) building and equipment refur-  
9 bishment or upgrades, including en-  
10 ergy efficiency technologies and digital  
11 technologies; and

12 (II) the adoption of renewable or  
13 clean energy;

14 (iv) conservation easements, including  
15 farm, ranch, and forest land preservation,  
16 that include conservation activities to im-  
17 prove soil health and reduce greenhouse  
18 gas emissions; and

19 (v) other similar practices, as deter-  
20 mined by the Secretary.

21 (3) CONSIDERATIONS.—In determining the rate  
22 and duration of a payment under paragraph (1), the  
23 Secretary shall consider—

24 (A) the degree of additionality of the  
25 greenhouse gas emissions reduction;

1           (B) whether the recipient of the payment  
2 was an early adopter of 1 or more practices  
3 that reduce greenhouse gas emissions;

4           (C) the likelihood that the applicable quali-  
5 fying practice described in paragraph (2) would  
6 have been carried out absent the provision of  
7 the payment;

8           (D) the degree of transitionality or perma-  
9 nence of the greenhouse gas emissions reduc-  
10 tion;

11           (E) whether the applicable qualifying prac-  
12 tice described in paragraph (2) provides mul-  
13 tiple environmental and health co-benefits in  
14 addition to reduced greenhouse gas emissions;

15           (F) the degree to which current soil condi-  
16 tions influence the greenhouse gas emissions re-  
17 ductions;

18           (G) the degree to which the recipient of  
19 the payment is a historically underserved eligi-  
20 ble producer;

21           (H) the integration with and enhancement  
22 of payments and policies of similar Federal,  
23 State, or local programs; and

24           (I) any payments received, or to be re-  
25 ceived, by the applicable eligible producer from

1 a private carbon offset market due to the appli-  
2 cable qualifying practice described in paragraph  
3 (2).

4 (4) INELIGIBILITY.—A person that is deter-  
5 mined to be in violation of any applicable water or  
6 air quality regulation, including under the Federal  
7 Water Pollution Control Act (33 U.S.C. 1251 et  
8 seq.) (including regulations), shall not be eligible for  
9 any payment under paragraph (1) during the period  
10 of the violation.

11 (5) EFFECTIVENESS.—The authority to provide  
12 payments under this subsection shall be effective for  
13 each of the first 10 fiscal years beginning after Sep-  
14 tember 30, 2022.

15 (d) COLLECTION OF DATA AND REPORTING.—

16 (1) MEASUREMENT SYSTEM.—

17 (A) IN GENERAL.—The Secretary shall es-  
18 tablish an outcomes-based measurement system  
19 (referred to in this paragraph as the “measure-  
20 ment system”) that uses the best available  
21 science and technology for cost-effective record-  
22 keeping, modeling, and measurement of farm-  
23 level greenhouse gas emissions on eligible land  
24 enrolled in the program.

1 (B) STANDARDS.—Not later than 18  
2 months after the date of enactment of this Act,  
3 the Secretary shall promulgate standards on the  
4 measurement system, based on information ob-  
5 tained from—

6 (i) agro-ecosystem models;

7 (ii) remote sensing data and analysis;

8 (iii) soil health demonstration trials;

9 and

10 (iv) field-level measurement.

11 (C) PROTOCOLS.—In developing the meas-  
12 urement system, the Secretary shall compile  
13 and publish a list of generally accepted public  
14 and private protocols for soil health and green-  
15 house gas programs and markets.

16 (D) REVIEW.—The Secretary shall main-  
17 tain the measurement system by—

18 (i) conducting an annual review of the  
19 measurement system; and

20 (ii) making any necessary updates to  
21 the measurement system.

22 (2) INVENTORY.—

23 (A) IN GENERAL.—For the purposes of  
24 providing payments under the program, the  
25 Secretary shall conduct a nationwide soil health

1 and agricultural greenhouse gas emissions in-  
2 ventory that uses the best available science and  
3 data to establish baselines and expected average  
4 performance for soil carbon drawdown and stor-  
5 age and greenhouse gas emissions reduction by  
6 primary production type and production region.

7 (B) DATABASE.—The Secretary shall—

8 (i) establish an accessible and inter-  
9 operable database for the inventory estab-  
10 lished under subparagraph (A) using the  
11 measurement system established under  
12 paragraph (1); and

13 (ii) improve and update the database  
14 as new data is collected, but not less fre-  
15 quently than once every 2 years.

16 (3) CRITERIA.—

17 (A) IN GENERAL.—The Secretary shall es-  
18 tablish criteria for payments under the program  
19 to inform policy and markets established to pro-  
20 mote soil carbon sequestration or greenhouse  
21 gas emissions reductions.

22 (B) REQUIREMENTS.—The criteria estab-  
23 lished under subparagraph (A) shall—

24 (i) have a documented likelihood to  
25 lead to transitioning towards or providing

1 long-term net greenhouse gas emissions re-  
2 ductions, according to the best available  
3 science;

4 (ii) be based in part on environmental  
5 impact modeling of the changes of shifting  
6 from baseline practices to new or improved  
7 practices; and

8 (iii) prevent, to the maximum extent  
9 practicable, the degradation of other nat-  
10 ural resource or environmental conditions.

11 (4) MEASUREMENT, REPORTING, MONITORING,  
12 AND VERIFICATION SERVICES.—

13 (A) IN GENERAL.—The Secretary—

14 (i) shall provide services described in  
15 subparagraph (B) to eligible producers  
16 participating in the program; and

17 (ii) may approve and provide oversight  
18 of 1 or more third-party agents to provide  
19 services described in subparagraph (B) to  
20 eligible producers participating in the pro-  
21 gram.

22 (B) SERVICES DESCRIBED.—Services re-  
23 ferred to in subparagraph (A) are determining  
24 the greenhouse gas emissions reduction by—

25 (i) measurement;

- 1 (ii) reporting;  
2 (iii) monitoring; and  
3 (iv) verification.

4 (C) USE OF PROTOCOLS.—Services re-  
5 ferred to in subparagraph (A) shall be provided  
6 using—

- 7 (i) the measurement system described  
8 in paragraph (1); and  
9 (ii) the criteria described in paragraph  
10 (3).

11 (D) USE OF DEPARTMENT OF AGRI-  
12 CULTURE RESOURCES.—The Secretary shall re-  
13 quire a third-party agent approved under sub-  
14 subparagraph (A)(ii) to use the resources, boards,  
15 committees, geospatial data, aerial or other  
16 maps, employees, offices, and capacities of the  
17 Department of Agriculture, to the maximum ex-  
18 tent practicable, in providing services under  
19 that subparagraph to eligible producers.

20 (E) PRIVACY AND DATA SECURITY.—

21 (i) IN GENERAL.—The Secretary shall  
22 establish—

23 (I) safeguards to protect the pri-  
24 vacy of information that is submitted  
25 through or retained by a third-party

1 agent approved under subparagraph  
2 (A), including employees and contrac-  
3 tors of the third-party agent; and

4 (II) such other rules and stand-  
5 ards of data security as the Secretary  
6 determines to be appropriate to carry  
7 out this subsection.

8 (ii) PENALTIES.—The Secretary shall  
9 establish penalties for any violations of pri-  
10 vacy or confidentiality under clause (i).

11 (F) DISCLOSURE OF INFORMATION.—

12 (i) PUBLIC DISCLOSURE.—Informa-  
13 tion collected for purposes of services pro-  
14 vided under subparagraph (A) may be dis-  
15 closed to the public—

16 (I) if the information is trans-  
17 formed into a statistical or aggregate  
18 form such that the information does  
19 not include any identifiable or per-  
20 sonal information of individual pro-  
21 ducers; or

22 (II) in a form that may include  
23 identifiable or personal information of  
24 a producer only if that producer con-

1                   sents to the disclosure of the informa-  
2                   tion.

3                   (ii) REQUIREMENT.—The participa-  
4                   tion of a producer in, and the receipt of  
5                   any benefit by the producer under, a pro-  
6                   gram under this section or any other pro-  
7                   gram administered by the Secretary may  
8                   not be conditioned on the producer pro-  
9                   viding consent under clause (i)(II).

10                  (iii) RESEARCH, AUDIT, AND PRO-  
11                  GRAM IMPROVEMENT.—Information col-  
12                  lected for the purposes of services provided  
13                  under subparagraph (A) may be disclosed  
14                  for the purposes of providing technical as-  
15                  sistance, including audit, research, or im-  
16                  provement of a program under this section,  
17                  either in aggregate or in a form that in-  
18                  cludes identifiable or personal information  
19                  of a producer, if the Secretary obtains ade-  
20                  quate assurances that—

21                               (I) the recipient shall ensure pri-  
22                               vacy safeguards of identifiable or per-  
23                               sonal information of a producer; and

24                               (II) the release of any data to the  
25                               public will only occur only if the data

1                   has been transformed into a statistical  
2                   or aggregate form.

3           (e) REGULATIONS.—Not later than July 1, 2022, the  
4 Secretary shall promulgate regulations to carry out this  
5 section, including—

6           (1) the amount of a payment under subsection  
7           (c), which shall be based on—

8                   (A) the quantity of carbon dioxide equiva-  
9                   lent emissions reduced; and

10                   (B) the considerations described in sub-  
11                   section (c)(3);

12           (2) a methodology that any third-party agents  
13 approved under subsection (d)(4)(A)(ii) shall use to  
14 provide the services under that subsection, includ-  
15 ing—

16                   (A) an accreditation process; and

17                   (B) a conflict of interest policy; and

18           (3) provisions for the ownership and transport-  
19 ability of data, including historical data, generated  
20 by an eligible producer for the purpose of deter-  
21 mining eligibility for payments under the program.

22 **SEC. 7. TRANSITION ASSISTANCE FOR IMPACTED COMMU-**  
23 **NITIES.**

24           (a) DEFINITIONS.—In this section:

1           (1) INDIAN TRIBE.—The term “Indian Tribe”  
2           has the meaning given the term in section 4 of the  
3           Indian Self-Determination and Education Assistance  
4           Act (25 U.S.C. 5304).

5           (2) INDIVIDUAL WITH A BARRIER TO EMPLOY-  
6           MENT.—The term “individual with a barrier to em-  
7           ployment” has the meaning given the term in section  
8           3 of the Workforce Innovation and Opportunity Act  
9           (29 U.S.C. 3102).

10          (3) INSTITUTION OF HIGHER EDUCATION.—The  
11          term “institution of higher education” has the  
12          meaning given the term in section 101 of the Higher  
13          Education Act of 1965 (20 U.S.C. 1001).

14          (4) LOCAL BOARD.—The term “local board”  
15          has the meaning given the term in section 3 of the  
16          Workforce Innovation and Opportunity Act (29  
17          U.S.C. 3102).

18          (5) RECOGNIZED POSTSECONDARY CREDEN-  
19          TIAL.—The term “recognized postsecondary creden-  
20          tial” has the meaning given the term in section 3 of  
21          the Workforce Innovation and Opportunity Act (29  
22          U.S.C. 3102).

23          (6) SECRETARY.—The term “Secretary” means  
24          the Secretary of Commerce, acting through the As-

1       sistant Secretary of Commerce for Economic Devel-  
2       opment.

3               (7) STATE.—The term “State” means—

4                       (A) a State;

5                       (B) the District of Columbia;

6                       (C) the Commonwealth of Puerto Rico;

7                       and

8                       (D) any other territory or possession of the  
9       United States.

10              (8) STATE BOARD.—The term “State board”  
11       has the meaning given the term in section 3 of the  
12       Workforce Innovation and Opportunity Act (29  
13       U.S.C. 3102).

14              (9) SUPPORTIVE SERVICES.—The term “sup-  
15       portive services” has the meaning given the term in  
16       section 3 of the Workforce Innovation and Oppor-  
17       tunity Act (29 U.S.C. 3102).

18              (b) GRANTS.—The Secretary, in coordination with  
19       the Secretary of Labor, shall provide grants to eligible en-  
20       tities for transition assistance to a low-carbon economy.

21              (c) ELIGIBLE ENTITIES.—An entity eligible to re-  
22       ceive a grant under this section is a labor organization,  
23       an institution of higher education, a unit of State or local  
24       government, an Indian Tribe, an economic development  
25       organization, a nonprofit organization, community-based

1 organization, or intermediary, or a State board or local  
2 board that serves or is located in a community that—

3 (1) as determined by the Secretary, in coordina-  
4 tion with the Secretary of Labor, has been or will be  
5 impacted by economic changes in carbon-intensive  
6 industries, including job losses;

7 (2) as determined by the Secretary, in consulta-  
8 tion with the Administrator of the Federal Emer-  
9 gency Management Agency, has been or is at risk of  
10 being impacted by extreme weather events, sea level  
11 rise, and natural disasters related to climate change;  
12 or

13 (3) as determined by the Secretary, in consulta-  
14 tion with the Administrator of the Environmental  
15 Protection Agency, has been impacted by harmful  
16 residuals from a fossil fuel or carbon-intensive in-  
17 dustry.

18 (d) USE OF FUNDS.—An eligible entity that receives  
19 a grant under this section shall use the grant for—

20 (1) economic and workforce development activi-  
21 ties, such as—

22 (A) job creation;

23 (B) providing reemployment and worker  
24 transition assistance, including registered ap-  
25 prenticeships, subsidized employment, job train-

1 ing, transitional jobs, and supportive services,  
2 with priority given to—

3 (i) workers impacted by changes in  
4 carbon-intensive industries;

5 (ii) individuals with a barrier to em-  
6 ployment; and

7 (iii) programs that lead to a recog-  
8 nized postsecondary credential;

9 (C) local and regional investment, includ-  
10 ing commercial and industrial economic diver-  
11 sification;

12 (D) export promotion; and

13 (E) establishment of a monthly subsidy  
14 payment for workers who retire early due to  
15 economic changes in carbon-intensive industries;

16 (2) climate change resiliency, such as—

17 (A) building electrical, communications,  
18 utility, transportation, and other infrastructure  
19 in flood-prone areas above flood zone levels;

20 (B) building flood and stormproofing  
21 measures in flood-prone areas and erosion-  
22 prone areas;

23 (C) increasing the resilience of a surface  
24 transportation infrastructure asset to withstand

- 1 extreme weather events and climate change im-  
2 pacts;
- 3 (D) improving stormwater infrastructure;  
4 (E) increasing the resilience of agriculture  
5 to extreme weather;
- 6 (F) ecological restoration;  
7 (G) increasing the resilience of forests to  
8 wildfires;
- 9 (H) increasing coastal resilience; and  
10 (I) implementing heat island cooling strat-  
11 egies;
- 12 (3) environmental cleanup from fossil fuel in-  
13 dustry facilities that are abandoned or retired, or  
14 closed due to bankruptcy, and residuals from car-  
15 bon-intensive industries, such as—
- 16 (A) coal ash and petroleum coke cleanup;  
17 (B) mine reclamation;  
18 (C) reclamation and plugging of aban-  
19 doned oil and natural gas wells on private and  
20 public land; and  
21 (D) remediation of impaired waterways  
22 and drinking water resources; or
- 23 (4) other activities as the Secretary, in coordi-  
24 nation with the Secretary of Labor, the Adminis-  
25 trator of the Federal Emergency Management Agen-

1 cy, and the Administrator of the Environmental Pro-  
2 tection Agency, determines to be appropriate.

3 (e) REQUIREMENTS.—

4 (1) LABOR STANDARDS; NONDISCRIMINA-  
5 TION.—An eligible entity that receives a grant under  
6 this section shall use the funds in a manner con-  
7 sistent with sections 181 and 188 of the Workforce  
8 Innovation and Opportunity Act (29 U.S.C. 3241,  
9 3248).

10 (2) WAGE RATE REQUIREMENTS.—

11 (A) IN GENERAL.—All laborers and me-  
12 chanics employed by eligible entities to carry  
13 out projects and activities funded directly by or  
14 assisted in whole or in part by a grant under  
15 this section shall be paid at wages at rates not  
16 less than those prevailing on projects of a simi-  
17 lar character in the locality as determined by  
18 the Secretary of Labor in accordance with sub-  
19 chapter IV of chapter 31 of title 40, United  
20 States Code (commonly known as the “Davis-  
21 Bacon Act”).

22 (B) AUTHORITY.—With respect to the  
23 labor standards specified in subparagraph (A),  
24 the Secretary of Labor shall have the authority  
25 and functions set forth in Reorganization Plan

1           Numbered 14 of 1950 (64 Stat. 1267; 5 U.S.C.  
2           App.) and section 3145 of title 40, United  
3           States Code.

4           (3) BUY AMERICA REQUIREMENTS.—

5                 (A) IN GENERAL.—All iron, steel, and  
6           manufactured goods used for projects and ac-  
7           tivities carried out with a grant under this sec-  
8           tion shall be produced in the United States.

9                 (B) WAIVER.—The Secretary may waive  
10          the requirement in subparagraph (A) if the Sec-  
11          retary finds that—

12                         (i) enforcing the requirement would be  
13                         inconsistent with the public interest;

14                         (ii) the iron, steel, and manufactured  
15                         goods produced in the United States are  
16                         not produced in a sufficient and reasonably  
17                         available amount or are not of a satisfac-  
18                         tory quality; or

19                         (iii) enforcing the requirement will in-  
20                         crease the overall cost of the project or ac-  
21                         tivity by more than 25 percent.

22          (f) COORDINATION.—An eligible entity that receives  
23          a grant under this section is encouraged to collaborate or  
24          partner with other eligible entities in carrying out activi-  
25          ties with that grant.

1 (g) REPORT.—Not later than 3 years after the date  
2 on which the Secretary establishes the grant program  
3 under this section, the Secretary and the Secretary of  
4 Labor shall submit to Congress a report on the effective-  
5 ness of the grant program, including—

6 (1) the number of individuals that have received  
7 reemployment or worker transition assistance under  
8 this section;

9 (2) a description of any job creation activities  
10 carried out with a grant under this section and the  
11 number of jobs created from those activities;

12 (3) the percentage of individuals that have re-  
13 ceived reemployment or worker transition assistance  
14 under this section who are, during the second and  
15 fourth quarters after exiting the program—

16 (A) in education or training activities; or

17 (B) employed;

18 (4) the average wages of individuals that have  
19 received reemployment or worker transition assist-  
20 ance under this section during the second and fourth  
21 quarters after exit from the program;

22 (5) a description of any regional investment ac-  
23 tivities carried out with a grant under this section;

1           (6) a description of any export promotion activi-  
2 ties carried out with a grant under this section, in-  
3 cluding—

4                 (A) a description of the products pro-  
5 moted; and

6                 (B) an analysis of any increase in exports  
7 as a result of the promotion;

8           (7) a description of any resilience activities car-  
9 ried out with a grant under this section;

10           (8) a description of any cleanup activities from  
11 fossil fuel industry facilities or carbon-intensive in-  
12 dustries carried out with a grant under this section;  
13 and

14           (9) the distribution of funding among geo-  
15 graphic and socioeconomic groups, including urban  
16 and rural communities, low-income communities,  
17 communities of color, and Indian Tribes.

18           (h) FUNDING.—

19                 (1) INITIAL FUNDING.—There is appropriated  
20 to the Secretary, out of any funds in the Treasury  
21 not otherwise appropriated, \$5,000,000,000 for each  
22 of fiscal years 2022 and 2023 to carry out this sec-  
23 tion, to remain available until expended.

24                 (2) AMERICA'S CLEAN FUTURE FUND.—The  
25 Secretary shall carry out this section using amounts

1       made available from the America’s Clean Future  
2       Fund under section 9512 of the Internal Revenue  
3       Code of 1986 (as added by section 4).

4 **SEC. 8. STUDY ON CARBON PRICING.**

5       (a) IN GENERAL.—Not later than January 1, 2025,  
6 the Administrator of the Environmental Protection Agen-  
7 cy (referred to in this section as the “Administrator”)  
8 shall seek to enter into an agreement with the National  
9 Academy of Sciences under which the National Academy  
10 of Sciences shall carry out a study not less frequently than  
11 once every 5 years to evaluate the effectiveness of the fees  
12 established under sections 4692 and 4693 of the Internal  
13 Revenue Code of 1986 in achieving the following goals:

14           (1) A net reduction of greenhouse gas emissions  
15       by 45 percent, based on 2018 levels, by 2030.

16           (2) A net reduction of greenhouse gas emissions  
17       by 100 percent, based on 2018 levels, by 2050.

18       (b) REQUIREMENTS.—In executing the agreement  
19 under subsection (a), the Administrator shall ensure that,  
20 in carrying out a study under that subsection, the Na-  
21 tional Academy of Sciences—

22           (1) includes an evaluation of—

23                   (A) total annual greenhouse gas emissions  
24       by the United States, including greenhouse gas

1 emissions not subject to the fees described in  
2 that subsection;

3 (B) the historic trends in the total green-  
4 house gas emissions evaluated under subpara-  
5 graph (A); and

6 (C) the impacts of the fees established  
7 under sections 4692 and 4693 of the Internal  
8 Revenue Code of 1986 on changes in the levels  
9 of fossil fuel-related localized air pollutants in  
10 environmental justice communities;

11 (2) analyzes the extent to which greenhouse gas  
12 emissions have been or would be reduced as a result  
13 of current and potential future policies, including—

14 (A) a projection of greenhouse gas emis-  
15 sions reductions that would result if the regula-  
16 tions of the Administrator were to be adjusted  
17 to impose stricter limits on greenhouse gas  
18 emissions than the goals described in that sub-  
19 section, with a particular focus on greenhouse  
20 gas emissions not subject to the fees described  
21 in that subsection;

22 (B) the status of greenhouse gas emissions  
23 reductions that result from the fees established  
24 under sections 4692 and 4693 of the Internal  
25 Revenue Code of 1986;

1 (C) a projection of greenhouse gas emis-  
2 sions reductions that would result if the fees es-  
3 tablished under those sections were annually in-  
4 creased—

5 (i) at the current price path; and

6 (ii) above the current price path;

7 (D) an analysis of greenhouse gas emis-  
8 sions reductions that result from the policies of  
9 States, units of local government, Tribal com-  
10 munities, and the private sector;

11 (E) a projection of greenhouse gas emis-  
12 sions reductions that would result from the pro-  
13 mulgation of additional Federal climate policies,  
14 including a clean energy standard, increased  
15 fuel economy and greenhouse gas emissions  
16 standards for motor vehicles, a low-carbon fuel  
17 standard, electrification of cars and heavy-duty  
18 trucks, and reforestation of not less than  
19 3,000,000 acres of land within the National  
20 Forest System; and

21 (F) the status and projections of  
22 decarbonization in other major economies; and

23 (3) submits a report to the Administrator, Con-  
24 gress, and the Board of Directors of the Climate

1 Change Finance Corporation describing the results  
2 of the study.

3 **SEC. 9. ESTABLISHMENT OF TARGETS FOR CARBON SE-**  
4 **QUESTRATION BY LAND AND WATER.**

5 (a) IN GENERAL.—The Chair of the Council on Envi-  
6 ronmental Quality, in consultation with the Secretaries of  
7 Agriculture, Commerce, and the Interior, the Chief of En-  
8 gineers, and the Administrator of the Environmental Pro-  
9 tection Agency, shall—

10 (1) establish a target for carbon sequestration  
11 that can reasonably be achieved through enhancing  
12 the ability of public and private land and water to  
13 function as natural carbon sinks;

14 (2) develop strategies for meeting that target;  
15 and

16 (3) develop strategies to expand protections for  
17 coastal ecosystems that sequester carbon and pro-  
18 vide resiliency benefits, such as—

19 (A) flood protection;

20 (B) soil and beach retention;

21 (C) erosion reduction;

22 (D) biodiversity;

23 (E) water purification; and

24 (F) nutrient cycling.

1           (b) REPORT.—As soon as practicable after the date  
2 of enactment of this Act, the Chair of the Council on Envi-  
3 ronmental Quality shall submit to Congress a report de-  
4 scribing—

5           (1) the target and strategies described in para-  
6 graphs (1) through (3) of subsection (a); and

7           (2) any additional statutory authorities or au-  
8 thorized funding levels needed to successfully imple-  
9 ment those strategies.

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