

118TH CONGRESS  
1ST SESSION

# H. R. 1743

To amend the Internal Revenue Code of 1986 to repeal fossil fuel subsidies for oil companies, to establish gas price rebates to individuals for 2022, and for other purposes.

---

## IN THE HOUSE OF REPRESENTATIVES

MARCH 23, 2023

Mr. CASTEN (for himself, Mr. BLUMENAUER, Mr. LEVIN, and Mrs. McCLELLAN) introduced the following bill; which was referred to the Committee on Ways and Means

---

## A BILL

To amend the Internal Revenue Code of 1986 to repeal fossil fuel subsidies for oil companies, to establish gas price rebates to individuals for 2022, 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 “People Over Petroleum  
5 Act”.

1 **SEC. 2. AMORTIZATION OF GEOLOGICAL AND GEO-**  
2 **PHYSICAL EXPENDITURES.**

3 (a) IN GENERAL.—Section 167(h) of the Internal  
4 Revenue Code of 1986 is amended—

5 (1) by striking “24-month period” in paragraph

6 (1) and inserting “7-year period”, and

7 (2) by striking paragraph (5).

8 (b) EFFECTIVE DATE.—The amendment made by  
9 this section shall apply to amounts paid or incurred in tax-  
10 able years beginning after December 31, 2022.

11 **SEC. 3. PRODUCING OIL AND GAS FROM MARGINAL WELLS.**

12 (a) IN GENERAL.—Subpart D of part IV of sub-  
13 chapter A of chapter 1 of the Internal Revenue Code of  
14 1986 is amended by striking section 45I (and by striking  
15 the item relating to such section in the table of sections  
16 for such subpart).

17 (b) CONFORMING AMENDMENT.—Section 38(b) of  
18 such Code is amended by striking paragraph (19).

19 (c) EFFECTIVE DATE.—The amendment made by  
20 subsection (a) shall apply to credits determined for taxable  
21 years beginning after December 31, 2022.

22 **SEC. 4. ENHANCED OIL RECOVERY CREDIT.**

23 (a) IN GENERAL.—Subpart D of part IV of sub-  
24 chapter A of chapter 1 of the Internal Revenue Code of  
25 1986 is amended by striking section 43 (and by striking

1 the item relating to such section in the table of sections  
2 for such subpart).

3 (b) CONFORMING AMENDMENT.—Section 38(b) of  
4 such Code is amended by striking paragraph (6).

5 (c) EFFECTIVE DATE.—The amendments made by  
6 this section shall apply to amounts paid or incurred in tax-  
7 able years beginning after December 31, 2022.

8 **SEC. 5. INTANGIBLE DRILLING AND DEVELOPMENT COSTS**  
9 **IN THE CASE OF OIL AND GAS WELLS.**

10 (a) IN GENERAL.—Section 263(c) of the Internal  
11 Revenue Code of 1986 is amended by adding at the end  
12 the following new sentence: “This subsection shall not  
13 apply to amounts paid or incurred by a taxpayer with re-  
14 spect to an oil or gas well after December 31, 2022.”.

15 (b) EFFECTIVE DATE.—The amendment made by  
16 this section shall apply to amounts paid or incurred in tax-  
17 able years beginning after December 31, 2022.

18 **SEC. 6. REPEAL OF PERCENTAGE DEPLETION FOR OIL AND**  
19 **GAS WELLS.**

20 (a) IN GENERAL.—Part I of subchapter I of chapter  
21 1 of the Internal Revenue Code of 1986 is amended by  
22 striking section 613A (and the table of sections of such  
23 part is amended by striking the item relating to such sec-  
24 tion).

25 (b) CONFORMING AMENDMENTS.—

1 (1) Section 45H(d) of such Code is amended—

2 (A) by striking “For purposes of this sec-  
3 tion” and inserting the following:

4 “(1) IN GENERAL.—For purposes of this sec-  
5 tion”,

6 (B) by striking “(within the meaning of  
7 section 613A(d)(3))”, and

8 (C) by adding at the end the following new  
9 paragraph:

10 “(2) RELATED PERSON.—For purposes of this  
11 subsection, a person is a related person with respect  
12 to the taxpayer if a significant ownership interest in  
13 either the taxpayer or such person is held by the  
14 other, or if a third person has a significant owner-  
15 ship interest in both the taxpayer and such person.  
16 For purposes of the preceding sentence, the term  
17 ‘significant ownership interest’ means—

18 “(A) with respect to any corporation, 5  
19 percent or more in value of the outstanding  
20 stock of such corporation,

21 “(B) with respect to a partnership, 5 per-  
22 cent or more interest in the profits or capital of  
23 such partnership, and

1           “(C) with respect to an estate or trust, 5  
2           percent or more of the beneficial interests in  
3           such estate or trust.

4           For purposes of determining a significant ownership  
5           interest, an interest owned by or for a corporation,  
6           partnership, trust, or estate shall be considered as  
7           owned directly both by itself and proportionately by  
8           its shareholders, partners, or beneficiaries, as the  
9           case may be.”.

10           (2) Section 57(a)(1) of such Code is amended  
11           by striking the last sentence.

12           (3) Section 291(b)(4) of such Code is amended  
13           by adding at the end the following: “Any reference  
14           in the preceding sentence to section 613A shall be  
15           treated as a reference to such section as in effect  
16           prior to the date of the enactment of the People  
17           Over Petroleum Act.”.

18           (4) Section 613(d) of such Code is amended by  
19           striking “Except as provided in section 613A, in the  
20           case of” and inserting “In the case of”.

21           (5) Section 613(e) of such Code is amended—

22                   (A) by striking “or section 613A” in para-  
23                   graph (2), and

24                   (B) by striking “any amount described in  
25                   section 613A(d)(5)” in paragraph (3) and in-

1           serting “any lease bonus, advance royalty, or  
2           other amount payable without regard to produc-  
3           tion from property”.

4           (6) Section 705(a) of such Code is amended—

5                 (A) by inserting “and” at the end of para-  
6                 graph (1)(C),

7                 (B) by striking “; and” at the end of para-  
8                 graph (2)(B) and inserting a period, and

9                 (C) by striking paragraph (3).

10           (7) Section 993(c)(2)(C) of such Code is  
11           amended by striking “section 613 or 613A” and in-  
12           serting “section 613 (determined without regard to  
13           subsection (d) thereof)”.

14           (8) Section 1202(e)(3)(D) of such Code is  
15           amended by striking “section 613 or 613A” and in-  
16           serting “section 613 (determined without regard to  
17           subsection (d) thereof)”.

18           (9) Section 1367(a)(2) of such Code is amended  
19           by inserting “and” at the end of subparagraph (C),  
20           by striking “, and” at the end of subparagraph (D)  
21           and inserting a period, and by striking subparagraph  
22           (E).

23           (10) Section 1446(c) of such Code is amended  
24           by striking paragraph (2) and by redesignating  
25           paragraph (3) as paragraph (2).

1 (c) EFFECTIVE DATE.—The amendments made by  
 2 this section shall apply to property placed in service after  
 3 December 31, 2022.

4 **SEC. 7. REPEAL OF DEDUCTION FOR TERTIARY**  
 5 **INJECTANTS.**

6 (a) IN GENERAL.—Part VI of subchapter B of chap-  
 7 ter 1 of the Internal Revenue Code of 1986 is amended  
 8 by striking section 193 (and the table of sections of such  
 9 subpart is amended by striking the item relating to such  
 10 section).

11 (b) EFFECTIVE DATE.—The amendments made by  
 12 this section shall apply to taxable years beginning after  
 13 December 31, 2022.

14 **SEC. 8. REPEAL OF EXCEPTION TO PASSIVE LOSS LIMITA-**  
 15 **TIONS FOR WORKING INTERESTS IN OIL AND**  
 16 **GAS PROPERTIES.**

17 (a) IN GENERAL.—Section 469(c)(3) of the Internal  
 18 Revenue Code of 1986 is amended by adding at the end  
 19 the following new subparagraph:

20 “(C) TERMINATION.—Subparagraph (A)  
 21 shall not apply with respect to any taxable year  
 22 beginning after the date of the enactment of  
 23 this Act.”.

1 (b) EFFECTIVE DATE.—The amendment made by  
 2 this section shall apply to taxable years beginning after  
 3 December 31, 2022.

4 **SEC. 9. DEDUCTION FOR QUALIFIED BUSINESS INCOME**  
 5 **NOT ALLOWED WITH RESPECT TO OIL AND**  
 6 **GAS ACTIVITIES.**

7 (a) IN GENERAL.—Section 199A(c)(3)(B) of the In-  
 8 ternal Revenue Code of 1986 is amended by redesignating  
 9 clause (vii) as clause (viii), and by inserting after clause  
 10 (vi) the following new clause:

11 “(vii) The production, refining, proc-  
 12 essing, transportation, or distribution of  
 13 oil, gas, or any primary product thereof.”.

14 (b) EFFECTIVE DATE.—The amendments made by  
 15 this section shall apply to taxable years beginning after  
 16 December 31, 2022.

17 **SEC. 10. PROHIBITION ON USING LAST-IN, FIRST-OUT AC-**  
 18 **COUNTING FOR OIL AND GAS COMPANIES.**

19 (a) IN GENERAL.—Section 472 of the Internal Rev-  
 20 enue Code of 1986 is amended by adding at the end the  
 21 following new subsection:

22 “(h) OIL AND GAS COMPANIES.—

23 “(1) IN GENERAL.—Notwithstanding any other  
 24 provision of this section, a major integrated oil com-



pany may not use the method provided in subsection  
(b) in inventorying of any goods.

“(2) MAJOR INTEGRATED OIL COMPANY.—For  
purposes of this subsection, the term ‘major inte-  
grated oil company’ means, with respect to any tax-  
able year, a producer of crude oil—

“(A) which has an average daily worldwide  
production of crude oil of at least 500,000 bar-  
rels for the taxable year,

“(B) which has gross receipts in excess of  
\$1,000,000,000 for the taxable year, and

“(C) the average daily refinery runs of the  
taxpayer and related persons for the taxable  
year exceed 75,000 barrels.

“(3) SPECIAL RULES.—

“(A) CRUDE PRODUCTION AND GROSS RE-  
CEIPTS.—For purposes of subparagraphs (A)  
and (B) of paragraph (2)—

“(i) CONTROLLED GROUPS AND COM-  
MON CONTROL.—All persons treated as a  
single employer under subsections (a) and  
(b) of section 52 shall be treated as 1 per-  
son.

1           “(ii) SHORT TAXABLE YEARS.—In  
2           case of a short taxable year, the rule under  
3           section 448(c)(3)(B) shall apply.

4           “(B) AVERAGE DAILY REFINERY RUNS.—  
5           For purposes of paragraph (2)(C)—

6           “(i) IN GENERAL.—The average daily  
7           refinery runs for any taxable year shall be  
8           determined by dividing the aggregate refin-  
9           ery runs for the taxable year by the num-  
10          ber of days in the taxable year.

11          “(ii) RELATED PERSONS.—A person  
12          is a related person with respect to the tax-  
13          payer if a significant ownership interest in  
14          either the taxpayer or such person is held  
15          by the other, or if a third person has a sig-  
16          nificant ownership interest in both the tax-  
17          payer and such person.

18          “(iii) SIGNIFICANT OWNERSHIP IN-  
19          TEREST.—For purposes of clause (ii), the  
20          term ‘significant ownership interest’  
21          means—

22                 “(I) with respect to any corpora-  
23                 tion, 15 percent or more in value of  
24                 the outstanding stock of such corpora-  
25                 tion,

1 “(II) with respect to a partner-  
2 ship, 15 percent or more interest in  
3 the profits or capital of such partner-  
4 ship, and

5 “(III) with respect to an estate  
6 or trust, 15 percent or more of the  
7 beneficial interests in such estate or  
8 trust.

9 For purposes of determining a significant  
10 ownership interest, an interest owned by or  
11 for a corporation, partnership, trust, or es-  
12 tate shall be considered as owned directly  
13 both by itself and proportionately by its  
14 shareholders, partners, or beneficiaries, as  
15 the case may be.”.

16 (b) EFFECTIVE DATE AND SPECIAL RULE.—

17 (1) IN GENERAL.—The amendment made by  
18 subsection (a) shall apply to taxable years beginning  
19 after December 31, 2022.

20 (2) CHANGE IN METHOD OF ACCOUNTING.—In  
21 the case of any taxpayer required by the amendment  
22 made by this section to change its method of ac-  
23 counting for its first taxable year beginning after the  
24 date of the enactment of this Act—

1 (A) such change shall be treated as initi-  
 2 ated by the taxpayer,

3 (B) such change shall be treated as made  
 4 with the consent of the Secretary of the Treas-  
 5 ury, and

6 (C) the net amount of the adjustments re-  
 7 quired to be taken into account by the taxpayer  
 8 under section 481 of the Internal Revenue Code  
 9 of 1986 shall be taken into account ratably over  
 10 a period (not greater than 8 taxable years) be-  
 11 ginning with such first taxable year.

12 **SEC. 11. MODIFICATIONS OF FOREIGN TAX CREDIT RULES**

13 **APPLICABLE TO DUAL CAPACITY TAXPAYERS.**

14 (a) IN GENERAL.—Section 901 of the Internal Rev-  
 15 enue Code of 1986 is amended by redesignating subsection  
 16 (n) as subsection (o) and by inserting after subsection (m)  
 17 the following new subsection:

18 “(n) SPECIAL RULES RELATING TO DUAL CAPACITY  
 19 TAXPAYERS.—

20 “(1) GENERAL RULE.—Notwithstanding any  
 21 other provision of this chapter, any amount paid or  
 22 accrued by a dual capacity taxpayer to a foreign  
 23 country or possession of the United States for any  
 24 period with respect to combined foreign oil and gas  
 25 income (as defined in section 907(b)(1)) shall not be

1 considered a tax to the extent such amount exceeds  
2 the amount (determined in accordance with regula-  
3 tions) which would have been required to be paid if  
4 the taxpayer were not a dual capacity taxpayer.

5 “(2) DUAL CAPACITY TAXPAYER.—For pur-  
6 poses of this subsection, the term ‘dual capacity tax-  
7 payer’ means, with respect to any foreign country or  
8 possession of the United States, a person who—

9 “(A) is subject to a levy of such country or  
10 possession, and

11 “(B) receives (or will receive) directly or  
12 indirectly a specific economic benefit (as deter-  
13 mined in accordance with regulations) from  
14 such country or possession.”.

15 (b) EFFECTIVE DATE.—

16 (1) IN GENERAL.—The amendments made by  
17 this section shall apply to taxes paid or accrued in  
18 taxable years beginning after December 31, 2022.

19 (2) CONTRARY TREATY OBLIGATIONS  
20 UPHELD.—The amendments made by this section  
21 shall not apply to the extent contrary to any treaty  
22 obligation of the United States.

1 **SEC. 12. CLARIFICATION OF TAR SANDS AS CRUDE OIL FOR**  
2 **EXCISE TAX PURPOSES.**

3 (a) IN GENERAL.—Section 4612(a)(1) of the Internal  
4 Revenue Code of 1986 is amended to read as follows:

5 “(1) CRUDE OIL.—The term ‘crude oil’ includes  
6 crude oil condensates, natural gasoline, any bitumen  
7 or bituminous mixture, any oil derived from a bitu-  
8 men or bituminous mixture (including oil derived  
9 from tar sands), and any oil derived from kerogen-  
10 bearing sources (including oil derived from oil  
11 shale).”.

12 (b) REGULATORY AUTHORITY TO ADDRESS OTHER  
13 TYPES OF CRUDE OIL AND PETROLEUM PRODUCTS.—  
14 Section 4612(a) of such Code is amended by adding at  
15 the end the following new paragraph:

16 “(10) REGULATORY AUTHORITY TO ADDRESS  
17 OTHER TYPES OF CRUDE OIL AND PETROLEUM  
18 PRODUCTS.—Under such regulations as the Sec-  
19 retary may prescribe, the Secretary may include as  
20 crude oil or as a petroleum product subject to tax  
21 under section 4611, any fuel feedstock or finished  
22 fuel product customarily transported by pipeline,  
23 vessel, railcar, or tanker truck if the Secretary deter-  
24 mines that—

25 “(A) the classification of such fuel feed-  
26 stock or finished fuel product is consistent with

1 the definition of oil under the Oil Pollution Act  
2 of 1990, and

3 “(B) such fuel feedstock or finished fuel  
4 product is produced in sufficient commercial  
5 quantities as to pose a significant risk of haz-  
6 ard in the event of a discharge.”.

7 (c) TECHNICAL AMENDMENT.—Section 4612(a)(2)  
8 of such Code is amended by striking “from a well located”.  
9 (d) EFFECTIVE DATE.—The amendments made by  
10 this section shall take effect on the date of the enactment  
11 of this Act.

12 **SEC. 13. 2022 GAS PRICES REBATE.**

13 (a) IN GENERAL.—Subchapter B of chapter 65 of the  
14 Internal Revenue Code of 1986 is amended by inserting  
15 after section 6428B the following new section:

16 **“SEC. 6428C. 2022 GAS PRICES REBATE.**

17 “(a) IN GENERAL.—In the case of an eligible indi-  
18 vidual, there shall be allowed as a credit against the tax  
19 imposed by subtitle A for the first taxable year beginning  
20 in 2022 an amount equal to the 2022 gas prices rebate  
21 amount determined for such taxable year.

22 “(b) 2022 GAS PRICES REBATE AMOUNT.—For pur-  
23 poses of this section, the term ‘2022 gas prices rebate  
24 amount’ means, with respect to any taxpayer for any tax-  
25 able year, the sum of—

1           “(1) \$500 (\$1,000 in the case of a joint re-  
2       turn), plus

3           “(2) \$500 multiplied by the number of depend-  
4       ents of the taxpayer for such taxable year who had  
5       attained the age of 16 as of the close of such taxable  
6       year.

7       “(c) ELIGIBLE INDIVIDUAL.—For purposes of this  
8       section, the term ‘eligible individual’ means any individual  
9       other than—

10           “(1) any nonresident alien individual,

11           “(2) any individual who is a dependent of an-  
12       other taxpayer for a taxable year beginning in the  
13       calendar year in which the individual’s taxable year  
14       begins, and

15           “(3) an estate or trust.

16       “(d) DEFINITIONS AND SPECIAL RULES.—

17           “(1) DEPENDENT DEFINED.—For purposes of  
18       this section, the term ‘dependent’ has the meaning  
19       given such term by section 152.

20           “(2) IDENTIFICATION NUMBER REQUIRE-  
21       MENT.—

22           “(A) IN GENERAL.—In the case of a re-  
23       turn other than a joint return, the \$500  
24       amount in subsection (b)(1) shall be treated as  
25       being zero unless the taxpayer includes the



1 valid identification number of the taxpayer on  
2 the return of tax for the taxable year.

3 “(B) JOINT RETURNS.—In the case of a  
4 joint return, the \$1,000 amount in subsection  
5 (b)(1) shall be treated as being—

6 “(i) \$500 if the valid identification  
7 number of only 1 spouse is included on the  
8 return of tax for the taxable year, and

9 “(ii) zero if the valid identification  
10 number of neither spouse is so included.

11 “(C) DEPENDENTS.—A dependent shall  
12 not be taken into account under subsection  
13 (b)(2) unless the valid identification number of  
14 such dependent is included on the return of tax  
15 for the taxable year.

16 “(D) VALID IDENTIFICATION NUMBER.—

17 “(i) IN GENERAL.—For purposes of  
18 this paragraph, the term ‘valid identifica-  
19 tion number’ means a social security num-  
20 ber issued to an individual by the Social  
21 Security Administration on or before the  
22 due date for filing the return for the tax-  
23 able year.

24 “(ii) ADOPTION TAXPAYER IDENTI-  
25 FICATION NUMBER.—For purposes of sub-

1 paragraph (C), in the case of a dependent  
2 who is adopted or placed for adoption, the  
3 term ‘valid identification number’ shall in-  
4 clude the adoption taxpayer identification  
5 number of such dependent.

6 “(E) SPECIAL RULE FOR MEMBERS OF  
7 THE ARMED FORCES.—Subparagraph (B) shall  
8 not apply in the case where at least 1 spouse  
9 was a member of the Armed Forces of the  
10 United States at any time during the taxable  
11 year and the valid identification number of at  
12 least 1 spouse is included on the return of tax  
13 for the taxable year.

14 “(F) COORDINATION WITH CERTAIN AD-  
15 VANCE PAYMENTS.—In the case of any payment  
16 determined pursuant to subsection (f)(6), a  
17 valid identification number shall be treated for  
18 purposes of this paragraph as included on the  
19 taxpayer’s return of tax if such valid identifica-  
20 tion number is available to the Secretary as de-  
21 scribed in such subsection.

22 “(G) MATHEMATICAL OR CLERICAL ERROR  
23 AUTHORITY.—Any omission of a correct valid  
24 identification number required under this para-  
25 graph shall be treated as a mathematical or

1           clerical error for purposes of applying section  
2           6213(g)(2) to such omission.

3           “(3) CREDIT TREATED AS REFUNDABLE.—The  
4           credit allowed by subsection (a) shall be treated as  
5           allowed by subpart C of part IV of subchapter A of  
6           chapter 1.

7           “(e) COORDINATION WITH ADVANCE REFUNDS OF  
8           CREDIT.—

9           “(1) REDUCTION OF REFUNDABLE CREDIT.—  
10          The amount of the credit which would (but for this  
11          paragraph) be allowable under subsection (a) shall  
12          be reduced (but not below zero) by the aggregate re-  
13          funds and credits made or allowed to the taxpayer  
14          (or, except as otherwise provided by the Secretary,  
15          any dependent of the taxpayer) under subsection (f).  
16          Any failure to so reduce the credit shall be treated  
17          as arising out of a mathematical or clerical error  
18          and assessed according to section 6213(b)(1).

19          “(2) JOINT RETURNS.—Except as otherwise  
20          provided by the Secretary, in the case of a refund  
21          or credit made or allowed under subsection (f) with  
22          respect to a joint return, half of such refund or cred-  
23          it shall be treated as having been made or allowed  
24          to each individual filing such return.

25          “(f) ADVANCE REFUNDS AND CREDITS.—

1           “(1) IN GENERAL.—Subject to paragraphs (5)  
2           and (6), each individual who was an eligible indi-  
3           vidual for such individual’s first taxable year begin-  
4           ning in 2020 shall be treated as having made a pay-  
5           ment against the tax imposed by chapter 1 for such  
6           taxable year in an amount equal to the advance re-  
7           fund amount for such taxable year.

8           “(2) ADVANCE REFUND AMOUNT.—

9                   “(A) IN GENERAL.—For purposes of para-  
10                  graph (1), the advance refund amount is the  
11                  amount that would have been allowed as a cred-  
12                  it under this section for such taxable year if  
13                  this section (other than subsection (e) and this  
14                  subsection) had applied to such taxable year.

15                  “(B) TREATMENT OF DECEASED INDIVID-  
16                  UALS.—For purposes of determining the ad-  
17                  vance refund amount with respect to such tax-  
18                  able year—

19                          “(i) any individual who was deceased  
20                          before January 1, 2022, shall be treated  
21                          for purposes of applying subsection (e)(2)  
22                          in the same manner as if the valid identi-  
23                          fication number of such person was not in-  
24                          cluded on the return of tax for such tax-

1           able year (except that subparagraph (E)  
2           thereof shall not apply),

3           “(ii) notwithstanding clause (i), in the  
4           case of a joint return with respect to which  
5           only spouse is deceased before January 1,  
6           2022, such deceased spouse was a member  
7           of the Armed Forces of the United States  
8           at any time during the taxable year, and  
9           the valid identification number of such de-  
10          ceased spouse is included on the return of  
11          tax for the taxable year, the valid identi-  
12          fication number of 1 (and only 1) spouse  
13          shall be treated as included on the return  
14          of tax for the taxable year for purposes of  
15          applying subsection (e)(2)(B) with respect  
16          to such joint return, and

17          “(iii) no amount shall be determined  
18          under subsection (d)(2) with respect to any  
19          dependent of the taxpayer if the taxpayer  
20          (both spouses in the case of a joint return)  
21          was deceased before January 1, 2022.

22          “(3) TIMING AND MANNER OF PAYMENTS.—

23          The Secretary shall, subject to the provisions of this  
24          title and consistent with rules similar to the rules of  
25          subparagraphs (B) and (C) of section 6428A(f)(3),

1 refund or credit any overpayment attributable to this  
2 subsection as rapidly as possible, consistent with a  
3 rapid effort to make payments attributable to such  
4 overpayments electronically if appropriate. No re-  
5 fund or credit shall be made or allowed under this  
6 subsection after December 31, 2022.

7 “(4) NO INTEREST.—No interest shall be al-  
8 lowed on any overpayment attributable to this sub-  
9 section.

10 “(5) APPLICATION TO INDIVIDUALS WHO HAVE  
11 FILED A RETURN OF TAX FOR 2021.—

12 “(A) APPLICATION TO 2021 RETURNS  
13 FILED AT TIME OF INITIAL DETERMINATION.—  
14 If, at the time of any determination made pur-  
15 suant to paragraph (3), the individual referred  
16 to in paragraph (1) has filed a return of tax for  
17 the individual’s first taxable year beginning in  
18 2021, paragraph (1) shall be applied with re-  
19 spect to such individual by substituting ‘2021’  
20 for ‘2020’.

21 “(B) ADDITIONAL PAYMENT.—

22 “(i) IN GENERAL.—In the case of any  
23 individual who files, before the additional  
24 payment determination date, a return of  
25 tax for such individual’s first taxable year

beginning in 2021, the Secretary shall make a payment (in addition to any payment made under paragraph (1)) to such individual equal to the excess (if any) of—

“(I) the amount which would be determined under paragraph (1) (after the application of subparagraph (A)) by applying paragraph (1) as of the additional payment determination date, over

“(II) the amount of any payment made with respect to such individual under paragraph (1).

“(ii) ADDITIONAL PAYMENT DETERMINATION DATE.—The term ‘additional payment determination date’ means the earlier of—

“(I) the date which is 90 days after the 2021 calendar year filing deadline, or

“(II) September 1, 2022.

“(iii) 2021 CALENDAR YEAR FILING DEADLINE.—The term ‘2021 calendar year filing deadline’ means the date specified in section 6072(a) with respect to returns for

1           calendar year 2021. Such date shall be de-  
2           termined after taking into account any pe-  
3           riod disregarded under section 7508A if  
4           such disregard applies to substantially all  
5           returns for calendar year 2021 to which  
6           section 6072(a) applies.

7           “(6) APPLICATION TO CERTAIN INDIVIDUALS  
8           WHO HAVE NOT FILED A RETURN OF TAX FOR 2020  
9           OR 2021 AT TIME OF DETERMINATION.—In the case  
10          of any individual who, at the time of any determina-  
11          tion made pursuant to paragraph (3), has filed a tax  
12          return for neither the year described in paragraph  
13          (1) nor for the year described in paragraph (5)(A),  
14          the Secretary shall, consistent with rules similar to  
15          the rules of section 6428A(f)(5)(H)(i), apply para-  
16          graph (1) on the basis of information available to  
17          the Secretary and shall, on the basis of such infor-  
18          mation, determine the advance refund amount with  
19          respect to such individual.

20          “(7) SPECIAL RULE RELATED TO TIME OF FIL-  
21          ING RETURN.—Solely for purposes of this sub-  
22          section, a return of tax shall not be treated as filed  
23          until such return has been processed by the Internal  
24          Revenue Service.



1           “(8) RESTRICTION ON USE OF CERTAIN PRE-  
2           VIOUSLY ISSUED PREPAID DEBIT CARDS.—Payments  
3           made by the Secretary to individuals under this sec-  
4           tion shall not be in the form of an increase in the  
5           balance of any previously issued prepaid debit card  
6           if, as of the time of the issuance of such card, such  
7           card was issued solely for purposes of making pay-  
8           ments under section 6428, 6428A, or 6428B.

9           “(g) REGULATIONS.—The Secretary shall prescribe  
10          such regulations or other guidance as may be necessary  
11          or appropriate to carry out the purposes of this section,  
12          including—

13               “(1) regulations or other guidance providing  
14               taxpayers the opportunity to provide the Secretary  
15               information sufficient to allow the Secretary to make  
16               payments to such taxpayers under subsection (f) (in-  
17               cluding the determination of the amount of such  
18               payment) if such information is not otherwise avail-  
19               able to the Secretary, and

20               “(2) regulations or other guidance to ensure to  
21               the maximum extent administratively practicable  
22               that, in determining the amount of any credit under  
23               subsection (a) and any credit or refund under sub-  
24               section (f), an individual is not taken into account  
25               more than once, including by different taxpayers and

1 including by reason of a change in joint return sta-  
2 tus or dependent status between the taxable year for  
3 which an advance refund amount is determined and  
4 the taxable year for which a credit under subsection  
5 (a) is determined.

6 “(h) OUTREACH.—The Secretary shall carry out a  
7 robust and comprehensive outreach program to ensure  
8 that all taxpayers described in subsection (g)(1) learn of  
9 their eligibility for the advance refunds and credits under  
10 subsection (f); are advised of the opportunity to receive  
11 such advance refunds and credits as provided under sub-  
12 section (g)(1); and are provided assistance in applying for  
13 such advance refunds and credits.”.

14 (b) TREATMENT OF CERTAIN POSSESSIONS.—

15 (1) PAYMENTS TO POSSESSIONS WITH MIRROR  
16 CODE TAX SYSTEMS.—The Secretary of the Treas-  
17 ury shall pay to each possession of the United States  
18 which has a mirror code tax system amounts equal  
19 to the loss (if any) to that possession by reason of  
20 the amendments made by this section. Such  
21 amounts shall be determined by the Secretary of the  
22 Treasury based on information provided by the gov-  
23 ernment of the respective possession.

24 (2) PAYMENTS TO OTHER POSSESSIONS.—The  
25 Secretary of the Treasury shall pay to each posses-

1        sion of the United States which does not have a mir-  
2        ror code tax system amounts estimated by the Sec-  
3        retary of the Treasury as being equal to the aggre-  
4        gate benefits (if any) that would have been provided  
5        to residents of such possession by reason of the  
6        amendments made by this section if a mirror code  
7        tax system had been in effect in such possession.  
8        The preceding sentence shall not apply unless the re-  
9        spective possession has a plan, which has been ap-  
10       proved by the Secretary of the Treasury, under  
11       which such possession will promptly distribute such  
12       payments to its residents.

13            (3)    INCLUSION    OF    ADMINISTRATIVE    EX-  
14       PENSES.—The Secretary of the Treasury shall pay  
15       to each possession of the United States to which the  
16       Secretary makes a payment under paragraph (1) or  
17       (2) an amount equal to the lesser of—

18                    (A) the increase (if any) of the administra-  
19       tive expenses of such possession—

20                            (i) in the case of a possession de-  
21       scribed in paragraph (1), by reason of the  
22       amendments made by this section, and

23                            (ii) in the case of a possession de-  
24       scribed in paragraph (2), by reason of car-

1                   rying out the plan described in such para-  
 2                   graph, or

3                   (B) \$500,000 (\$10,000,000 in the case of  
 4                   Puerto Rico).

5                   The amount described in subparagraph (A) shall be  
 6                   determined by the Secretary of the Treasury based  
 7                   on information provided by the government of the  
 8                   respective possession.

9                   (4) COORDINATION WITH CREDIT ALLOWED  
 10                  AGAINST UNITED STATES INCOME TAXES.—No cred-  
 11                  it shall be allowed against United States income  
 12                  taxes under section 6428C of the Internal Revenue  
 13                  Code of 1986 (as added by this section), nor shall  
 14                  any credit or refund be made or allowed under sub-  
 15                  section (f) of such section, to any person—

16                  (A) to whom a credit is allowed against  
 17                  taxes imposed by the possession by reason of  
 18                  the amendments made by this section, or

19                  (B) who is eligible for a payment under a  
 20                  plan described in paragraph (2).

21                  (5) MIRROR CODE TAX SYSTEM.—For purposes  
 22                  of this subsection, the term “mirror code tax sys-  
 23                  tem” means, with respect to any possession of the  
 24                  United States, the income tax system of such posses-  
 25                  sion if the income tax liability of the residents of

1       such possession under such system is determined by  
2       reference to the income tax laws of the United  
3       States as if such possession were the United States.

4           (6) TREATMENT OF PAYMENTS.—For purposes  
5       of section 1324 of title 31, United States Code, the  
6       payments under this subsection shall be treated in  
7       the same manner as a refund due from a credit pro-  
8       vision referred to in subsection (b)(2) of such sec-  
9       tion.

10       (c) ADMINISTRATIVE PROVISIONS.—

11           (1) DEFINITION OF DEFICIENCY.—Section  
12       6211(b)(4)(A) of the Internal Revenue Code of 1986  
13       is amended by inserting “6428C,” after “6428B,”.

14           (2) EXCEPTION FROM REDUCTION OR OFF-  
15       SET.—Any refund payable by reason of section  
16       6428C(f) of the Internal Revenue Code of 1986 (as  
17       added by this section), or any such refund payable  
18       by reason of subsection (b) of this section, shall not  
19       be—

20           (A) subject to reduction or offset pursuant  
21       to subsection (c), (d), (e), or (f) of section 6402  
22       of the Internal Revenue Code of 1986 or any  
23       similar authority permitting offset, or

1 (B) reduced or offset by other assessed  
2 Federal taxes that would otherwise be subject  
3 to levy or collection.

4 (3) CONFORMING AMENDMENTS.—

5 (A) Section 1324(b)(2) of title 31, United  
6 States Code, is amended by inserting “6428C,”  
7 after “6428B,”.

8 (B) The table of sections for subchapter B  
9 of chapter 65 of the Internal Revenue Code of  
10 1986 is amended by inserting after the item re-  
11 lating to section 6428A the following new item:

“Sec. 6428C. 2022 gas prices rebate.”.

○