

110TH CONGRESS
1ST SESSION

S. 1238

To repeal certain provisions of the Energy Policy Act of 2005, close tax loopholes, impose windfall profits tax on major integrated oil companies, provide a reserve fund for biofuels research and infrastructure, and payments for low-income households.

IN THE SENATE OF THE UNITED STATES

APRIL 26, 2007

Mr. CASEY (for himself and Mr. WEBB) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To repeal certain provisions of the Energy Policy Act of 2005, close tax loopholes, impose windfall profits tax on major integrated oil companies, provide a reserve fund for biofuels research and infrastructure, and payments for low-income households.

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; AMENDMENT OF 1986 CODE.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Energy Security and Corporate Accountability Act of
6 2007”.

1 (b) AMENDMENT OF 1986 CODE.—Except as other-
2 wise expressly provided, whenever in this Act an amend-
3 ment or repeal is expressed in terms of an amendment
4 to, or repeal of, a section or other provision, the reference
5 shall be considered to be made to a section or other provi-
6 sion of the Internal Revenue Code of 1986.

7 **SEC. 2. REVALUATION OF LIFO INVENTORIES OF MAJOR IN-**
8 **TEGRATED OIL COMPANIES.**

9 (a) GENERAL RULE.—Notwithstanding any other
10 provision of law, if a taxpayer is a major integrated oil
11 company (as defined in section 167(h)(5)(B)) for its last
12 taxable year ending in calendar year 2006, the taxpayer
13 shall—

14 (1) increase, effective as of the close of such
15 taxable year, the value of each historic LIFO layer
16 of inventories of crude oil, natural gas, or any other
17 petroleum product (within the meaning of section
18 4611) by the layer adjustment amount, and

19 (2) decrease its cost of goods sold for such tax-
20 able year by the aggregate amount of the increases
21 under paragraph (1).

22 If the aggregate amount of the increases under paragraph
23 (1) exceed the taxpayer's cost of goods sold for such tax-
24 able year, the taxpayer's gross income for such taxable
25 year shall be increased by the amount of such excess.

1 (b) LAYER ADJUSTMENT AMOUNT.—For purposes of
2 this section—

3 (1) IN GENERAL.—The term “layer adjustment
4 amount” means, with respect to any historic LIFO
5 layer, the product of—

6 (A) \$18.75, and

7 (B) the number of barrels of crude oil (or
8 in the case of natural gas or other petroleum
9 products, the number of barrel-of-oil equiva-
10 lents) represented by the layer.

11 (2) BARREL-OF-OIL EQUIVALENT.—The term
12 “barrel-of-oil equivalent” has the meaning given
13 such term by section 45K.

14 (c) APPLICATION OF REQUIREMENT.—

15 (1) NO CHANGE IN METHOD OF ACCOUNTING.—
16 Any adjustment required by this section shall not be
17 treated as a change in method of accounting.

18 (2) UNDERPAYMENTS OF ESTIMATED TAX.—No
19 addition to the tax shall be made under section 6655
20 (relating to failure by corporation to pay estimated
21 tax) with respect to any underpayment of an install-
22 ment required to be paid with respect to the taxable
23 year described in subsection (a) to the extent such
24 underpayment was created or increased by this sec-
25 tion.

1 **SEC. 3. MODIFICATIONS OF FOREIGN TAX CREDIT RULES**
2 **APPLICABLE TO MAJOR INTEGRATED OIL**
3 **COMPANIES WHICH ARE DUAL CAPACITY**
4 **TAXPAYERS.**

5 (a) IN GENERAL.—Section 901 (relating to credit for
6 taxes of foreign countries and of possessions of the United
7 States) is amended by redesignating subsection (m) as
8 subsection (n) and by inserting after subsection (l) the fol-
9 lowing new subsection:

10 “(m) SPECIAL RULES RELATING TO MAJOR INTE-
11 GRATED OIL COMPANIES WHICH ARE DUAL CAPACITY
12 TAXPAYERS.—

13 “(1) GENERAL RULE.—Notwithstanding any
14 other provision of this chapter, any amount paid or
15 accrued by a dual capacity taxpayer which is a
16 major integrated oil company (as defined in section
17 167(h)(5)(B)) to a foreign country or possession of
18 the United States for any period shall not be consid-
19 ered a tax—

20 “(A) if, for such period, the foreign coun-
21 try or possession does not impose a generally
22 applicable income tax, or

23 “(B) to the extent such amount exceeds
24 the amount (determined in accordance with reg-
25 ulations) which—

1 “(i) is paid by such dual capacity tax-
2 payer pursuant to the generally applicable
3 income tax imposed by the country or pos-
4 session, or

5 “(ii) would be paid if the generally ap-
6 plicable income tax imposed by the country
7 or possession were applicable to such dual
8 capacity taxpayer.

9 Nothing in this paragraph shall be construed to
10 imply the proper treatment of any such amount
11 not in excess of the amount determined under
12 subparagraph (B).

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

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

19 “(B) receives (or will receive) directly or
20 indirectly a specific economic benefit (as deter-
21 mined in accordance with regulations) from
22 such country or possession.

23 “(3) GENERALLY APPLICABLE INCOME TAX.—
24 For purposes of this subsection—

1 “(A) IN GENERAL.—The term ‘generally
2 applicable income tax’ means an income tax (or
3 a series of income taxes) which is generally im-
4 posed under the laws of a foreign country or
5 possession on income derived from the conduct
6 of a trade or business within such country or
7 possession.

8 “(B) EXCEPTIONS.—Such term shall not
9 include a tax unless it has substantial applica-
10 tion, by its terms and in practice, to—

11 “(i) persons who are not dual capacity
12 taxpayers, and

13 “(ii) persons who are citizens or resi-
14 dents of the foreign country or posses-
15 sion.”.

16 (b) EFFECTIVE DATE.—

17 (1) IN GENERAL.—The amendments made by
18 this section shall apply to taxes paid or accrued in
19 taxable years beginning after the date of the enact-
20 ment of this Act.

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

1 **SEC. 4. 7-YEAR AMORTIZATION OF GEOLOGICAL AND GEO-**
2 **PHYSICAL EXPENDITURES FOR CERTAIN**
3 **MAJOR INTEGRATED OIL COMPANIES.**

4 (a) IN GENERAL.—Subparagraph (A) of section
5 167(h)(5) (relating to special rule for major integrated oil
6 companies) is amended by striking “5-year” and inserting
7 “7-year”.

8 (b) EFFECTIVE DATE.—The amendment made by
9 this section shall apply to amounts paid or incurred after
10 the date of the enactment of this Act.

11 **SEC. 5. SUSPENSION OF ROYALTY RELIEF.**

12 (a) REPEALS.—Sections 344 and 345 of the Energy
13 Policy Act of 2005 (42 U.S.C. 15904, 15905) are re-
14 pealed.

15 (b) TERMINATION OF ALASKA OFFSHORE ROYALTY
16 SUSPENSION.—Section 8(a)(3)(B) of the Outer Conti-
17 nental Shelf Lands Act (43 U.S.C. 1337(a)(3)(B)) is
18 amended by striking “and in the Planning Areas offshore
19 Alaska”.

20 **SEC. 6. NATIONAL ENERGY SECURITY RESEARCH AND IN-**
21 **VESTMENT RESERVE.**

22 (a) ESTABLISHMENT.—For budgetary purposes, for
23 each fiscal year, an amount equal to the total net amount
24 of savings to the Federal Government for the fiscal year
25 resulting from the amendments made by sections 2, 3, 4,
26 and 5, as determined by the Secretary of the Treasury,

1 shall be held in a separate account in the Treasury of the
2 United States, to be known as the “National Energy Secu-
3 rity Research and Investment Reserve” (referred to in this
4 section as the “Reserve”).

5 (b) USE.—Of the amounts in the Reserve—

6 (1) 50 percent shall be available to offset the
7 cost of legislation enacted after the date of enact-
8 ment of this Act to carry out energy research in the
9 United States, including research relating to—

10 (A) ethanol, and

11 (B) biodiesel, and

12 (2) 50 percent shall be available to offset the
13 cost of legislation enacted after the date of enact-
14 ment of this Act to carry out the development, pur-
15 chase, and installation of infrastructure (including
16 new fueling pumps, retrofitting of existing fueling
17 pumps, and equipment necessary for the transpor-
18 tation of biofuels) necessary to deliver new fuels to
19 consumers.

20 (c) PROCEDURE FOR ADJUSTMENTS.—

21 (1) BUDGET COMMITTEE CHAIRMAN.—After the
22 reporting of a bill or joint resolution, or the offering
23 of an amendment to the bill or joint resolution or
24 the submission of a conference report for the bill or
25 joint resolution, providing funding for the purposes

1 described in subsection (b) in excess of the amounts
2 provided for those purposes for fiscal year 2007, the
3 chairman of the Committee on the Budget of the ap-
4 plicable House of Congress shall make the adjust-
5 ments required under paragraph (2) for the amount
6 of new budget authority and outlays in the measure
7 and the outlays flowing from that budget authority.

8 (2) MATTERS TO BE ADJUSTED.—The adjust-
9 ments referred to in paragraph (1) are to be made
10 to—

11 (A) the discretionary spending limits, if
12 any, set forth in the appropriate concurrent res-
13 olution on the budget,

14 (B) the allocations made pursuant to the
15 appropriate concurrent resolution on the budget
16 pursuant to section 302(a) of the Congressional
17 Budget Act of 1974 (2 U.S.C. 633(a)), and

18 (C) the budget aggregates contained in the
19 appropriate concurrent resolution on the budget
20 as required by section 301(a) of the Congres-
21 sional Budget Act of 1974 (2 U.S.C. 632(a)).

22 (3) AMOUNTS OF ADJUSTMENTS.—The adjust-
23 ments referred to in paragraphs (1) and (2) shall
24 not exceed the receipts estimated by the Congres-
25 sional Budget Office that are attributable to sections

1 2, 3, 4, and 5 (and the amendments made by such
2 sections) for the fiscal year in which the adjustments
3 are made.

4 **SEC. 7. WINDFALL PROFITS TAX.**

5 (a) IN GENERAL.—Subtitle E (relating to alcohol, to-
6 bacco, and certain other excise taxes) is amended by add-
7 ing at the end the following new chapter:

8 **“CHAPTER 56—WINDFALL PROFITS ON**
9 **CRUDE OIL**

“Sec. 5896. Imposition of tax.

“Sec. 5897. Windfall profit; removal price; adjusted base price; qualified invest-
ment.

“Sec. 5898. Special rules and definitions.

10 **“SEC. 5896. IMPOSITION OF TAX.**

11 “(a) IN GENERAL.—In addition to any other tax im-
12 posed under this title, there is hereby imposed on any
13 major integrated oil company (as defined in section
14 167(h)(5)(B)) an excise tax equal to the excess of—

15 “(1) the amount equal to 50 percent of the
16 windfall profit from all barrels of taxable crude oil
17 removed from the property during each taxable year,
18 over

19 “(2) the amount of qualified investment by such
20 company during such taxable year.

21 “(b) FRACTIONAL PART OF BARREL.—In the case of
22 a fraction of a barrel, the tax imposed by subsection (a)

1 shall be the same fraction of the amount of such tax im-
2 posed on the whole barrel.

3 “(c) TAX PAID BY PRODUCER.—The tax imposed by
4 this section shall be paid by the producer of the taxable
5 crude oil.

6 **“SEC. 5897. WINDFALL PROFIT; REMOVAL PRICE; AD-
7 JUSTED BASE PRICE; QUALIFIED INVEST-
8 MENT.**

9 “(a) GENERAL RULE.—For purposes of this chapter,
10 the term ‘windfall profit’ means the excess of the removal
11 price of the barrel of taxable crude oil over the adjusted
12 base price of such barrel.

13 “(b) REMOVAL PRICE.—For purposes of this chap-
14 ter—

15 “(1) IN GENERAL.—Except as otherwise pro-
16 vided in this subsection, the term ‘removal price’
17 means the amount for which the barrel of taxable
18 crude oil is sold.

19 “(2) SALES BETWEEN RELATED PERSONS.—In
20 the case of a sale between related persons, the re-
21 moval price shall not be less than the constructive
22 sales price for purposes of determining gross income
23 from the property under section 613.

24 “(3) OIL REMOVED FROM PROPERTY BEFORE
25 SALE.—If crude oil is removed from the property be-

1 fore it is sold, the removal price shall be the con-
2 structive sales price for purposes of determining
3 gross income from the property under section 613.

4 “(4) REFINING BEGUN ON PROPERTY.—If the
5 manufacture or conversion of crude oil into refined
6 products begins before such oil is removed from the
7 property—

8 “(A) such oil shall be treated as removed
9 on the day such manufacture or conversion be-
10 gins, and

11 “(B) the removal price shall be the con-
12 structive sales price for purposes of determining
13 gross income from the property under section
14 613.

15 “(5) PROPERTY.—The term ‘property’ has the
16 meaning given such term by section 614.

17 “(c) ADJUSTED BASE PRICE DEFINED.—

18 “(1) IN GENERAL.—For purposes of this chap-
19 ter, the term ‘adjusted base price’ means \$50 for
20 each barrel of taxable crude oil plus an amount
21 equal to—

22 “(A) such base price, multiplied by

23 “(B) the inflation adjustment for the cal-
24 endar year in which the taxable crude oil is re-
25 moved from the property.

1 The amount determined under the preceding sen-
2 tence shall be rounded to the nearest cent.

3 “(2) INFLATION ADJUSTMENT.—

4 “(A) IN GENERAL.—For purposes of para-
5 graph (1), the inflation adjustment for any cal-
6 endar year after 2008 is the percentage by
7 which—

8 “(i) the implicit price deflator for the
9 gross national product for the preceding
10 calendar year, exceeds

11 “(ii) such deflator for the calendar
12 year ending December 31, 2007.

13 “(B) FIRST REVISION OF PRICE DEFLATOR
14 USED.—For purposes of subparagraph (A), the
15 first revision of the price deflator shall be used.

16 “(d) QUALIFIED INVESTMENT.—For purposes of this
17 chapter—

18 “(1) IN GENERAL.—The term ‘qualified invest-
19 ment’ means any amount paid or incurred with re-
20 spect to—

21 “(A) section 263(c) costs,

22 “(B) qualified refinery property (as defined
23 in section 179C(c) and determined without re-
24 gard to any termination date),

1 “(C) any qualified facility described in
2 paragraph (1), (2), (3), or (4) of section 45(d)
3 (determined without regard to any placed in
4 service date),

5 “(D) any facility for the production of al-
6 cohol used as a fuel (within the meaning of sec-
7 tion 40) or biodiesel or agri-biodiesel used as a
8 fuel (within the meaning of section 40A).

9 “(2) SECTION 263(c) COSTS.—For purposes of
10 this subsection, the term ‘section 263(c) costs’
11 means intangible drilling and development costs in-
12 curred by the taxpayer which (by reason of an elec-
13 tion under section 263(c)) may be deducted as ex-
14 penses for purposes of this title (other than this
15 paragraph). Such term shall not include costs in-
16 curred in drilling a nonproductive well.

17 **“SEC. 5898. SPECIAL RULES AND DEFINITIONS .**

18 “(a) WITHHOLDING AND DEPOSIT OF TAX.—The
19 Secretary shall provide such rules as are necessary for the
20 withholding and deposit of the tax imposed under section
21 5896 on any taxable crude oil.

22 “(b) RECORDS AND INFORMATION.—Each taxpayer
23 liable for tax under section 5896 shall keep such records,
24 make such returns, and furnish such information (to the
25 Secretary and to other persons having an interest in the

1 taxable crude oil) with respect to such oil as the Secretary
2 may by regulations prescribe.

3 “(c) RETURN OF WINDFALL PROFIT TAX.—The Sec-
4 retary shall provide for the filing and the time of such
5 filing of the return of the tax imposed under section 5896.

6 “(d) DEFINITIONS.—For purposes of this chapter—

7 “(1) PRODUCER.—The term ‘producer’ means
8 the holder of the economic interest with respect to
9 the crude oil.

10 “(2) CRUDE OIL.—

11 “(A) IN GENERAL.—The term ‘crude oil’
12 includes crude oil condensates and natural gas-
13 oline.

14 “(B) EXCLUSION OF NEWLY DISCOVERED
15 OIL.—Such term shall not include any oil pro-
16 duced from a well drilled after the date of the
17 enactment of this chapter, except with respect
18 to any oil produced from a well drilled after
19 such date on any proven oil or gas property
20 (within the meaning of section 613A(c)(9)(A),
21 as in effect before the date of the enactment of
22 the Omnibus Budget Reconciliation Act of
23 1990).

24 “(3) BARREL.—The term ‘barrel’ means 42
25 United States gallons.

1 “(e) ADJUSTMENT OF REMOVAL PRICE.—In deter-
2 mining the removal price of oil from a property in the case
3 of any transaction, the Secretary may adjust the removal
4 price to reflect clearly the fair market value of oil removed.

5 “(f) REGULATIONS.—The Secretary shall prescribe
6 such regulations as may be necessary or appropriate to
7 carry out the purposes of this chapter.”.

8 (b) CLERICAL AMENDMENT.—The table of chapters
9 for subtitle E is amended by adding at the end the fol-
10 lowing new item:

“CHAPTER 56. WINDFALL PROFIT ON CRUDE OIL”.

11 (c) DEDUCTIBILITY OF WINDFALL PROFIT TAX.—
12 The first sentence of section 164(a) (relating to deduction
13 for taxes) is amended by inserting after paragraph (5) the
14 following new paragraph:

15 “(6) The windfall profit tax imposed by section
16 5896.”.

17 (d) EFFECTIVE DATE.—

18 (1) IN GENERAL.—The amendments made by
19 this subsection shall apply to crude oil removed after
20 the date of the enactment of this Act, in taxable
21 years ending after such date.

22 (2) TRANSITIONAL RULES.—For the period
23 ending December 31, 2007, the Secretary of the
24 Treasury or the Secretary’s delegate shall prescribe
25 rules relating to the administration of chapter 56.

1 To the extent provided in such rules, such rules shall
2 supplement or supplant for such period the adminis-
3 trative provisions contained in chapter 56 (or in so
4 much of subtitle F as relates to such chapter 56).

5 **SEC. 8. LOW-INCOME TRANSPORTATION ENERGY ASSIST-**
6 **ANCE PROGRAM.**

7 (a) DEFINITIONS.—In this section:

8 (1) ELIGIBLE HOUSEHOLD.—The term “eligible
9 household” means—

10 (A) a household in which 1 or more indi-
11 viduals are receiving assistance or payments re-
12 ferred to in any of clauses (i) through (iv) of
13 section 2605(b)(2)(A) of the Low-Income Home
14 Energy Assistance Act of 1981 (42 U.S.C.
15 8624(b)(2)(A));

16 (B) a household that provides such docu-
17 mentation of costs incurred for eligible trans-
18 portation expenses as the Secretary may rea-
19 sonably require; and

20 (C) a low-income household.

21 (2) ELIGIBLE TRANSPORTATION EXPENSE.—
22 The term “eligible transportation expense” means
23 the cost incurred by an individual or family in pur-
24 chasing—

1 (A) gasoline or diesel fuel for use by the
2 individual or family for transportation purposes;

3 or

4 (B) a bus pass, train ticket, or other mass-
5 transit fare for use by the individual or family.

6 (3) FUND.—The term “Fund” means the Low-
7 Income Transportation Energy Assistance Fund es-
8 tablished by subsection (f)(1).

9 (4) INDIAN TRIBE.—The term “Indian tribe”
10 has the meaning given the term in section 4 of the
11 Indian Self-Determination and Education Assistance
12 Act (25 U.S.C. 450b).

13 (5) LOW-INCOME HOUSEHOLD.—The term
14 “low-income household” means a household with a
15 total annual household income that does not exceed
16 the greater of—

17 (A) an amount equal to 150 percent of the
18 poverty level of a State; or

19 (B) an amount equal to 60 percent of the
20 State median income.

21 (6) POVERTY LEVEL.—The term “poverty
22 level” has the meaning given the term in section
23 2603 of the Low-Income Home Energy Assistance
24 Act of 1981 (42 U.S.C. 8622).

1 (7) PROGRAM.—The term “program” means
2 the Low-Income Transportation Energy Assistance
3 Program established under subsection (b).

4 (8) SECRETARY.—The term “Secretary” means
5 the Secretary of Health and Human Services.

6 (9) STATE.—The term “State” means—

7 (A) a State; and

8 (B) the District of Columbia.

9 (10) STATE MEDIAN INCOME.—The term
10 “State median income” has the meaning given the
11 term in section 2603 of the Low-Income Home En-
12 ergy Assistance Act of 1981 (42 U.S.C. 8622).

13 (b) ESTABLISHMENT.—The Secretary shall establish
14 and carry out a program, to be known as the “Low-Income
15 Transportation Energy Assistance Program”, under which
16 the Secretary shall use amounts in the Fund to allocate
17 funds to States for use in assisting low-income households
18 in paying eligible transportation expenses.

19 (c) ALLOCATIONS.—

20 (1) ALLOCATIONS TO STATES.—

21 (A) IN GENERAL.—Subject to subpara-
22 graph (B) and paragraphs (2) and (3), in car-
23 rying out the program for each fiscal year, the
24 Secretary shall allocate to each State an
25 amount to be used by the State in accordance

1 with subsection (b) that is equal to the propor-
2 tion that, as determined by the Secretary—

3 (i) the total expenditures on eligible
4 transportation expenses by low-income in-
5 dividuals and families in the State for the
6 fiscal year; bears to

7 (ii) the total expenditures on eligible
8 transportation expenses by low-income in-
9 dividuals and families in all States for the
10 fiscal year.

11 (B) SET-ASIDE FOR INDIAN TRIBES.—If,
12 with respect to any State, the Secretary receives
13 a request from the governing body of an Indian
14 tribe within the State that assistance under the
15 program be made available directly to the In-
16 dian tribe, and the Secretary determines that
17 the members of the Indian tribe would be better
18 served by means of grants made directly to pro-
19 vide benefits under the program, the Secretary
20 shall reserve from amounts that would other-
21 wise be payable to the State under this para-
22 graph for the fiscal year, and pay directly to
23 the Indian tribe—

24 (i) an amount equal to the proportion
25 that, as determined by the Secretary—

1 (I) the number of Indian house-
2 holds in the State that are eligible
3 households; bears to

4 (II) the number of Indian house-
5 holds in all States that are eligible
6 households; or

7 (ii) such greater amount upon which
8 the Indian tribe, and the State in which
9 the Indian tribe is located, may agree.

10 (2) ALLOCATIONS TO TERRITORIES AND POS-
11 SESSIONS.—Subject to paragraph (3), before making
12 the allocations under paragraph (1) for a fiscal year,
13 the Secretary shall apportion, on the basis of need,
14 as determined by the Secretary, not less than 0.1
15 percent and not more than 0.5 percent of the
16 amounts made available to carry out this section for
17 the fiscal year among—

18 (A) American Samoa;

19 (B) the Commonwealth of the Northern
20 Mariana Islands;

21 (C) the Commonwealth of Puerto Rico;

22 (D) Guam; and

23 (E) the United States Virgin Islands.

24 (3) PRO RATA REDUCTION.—If the amounts
25 made available to carry out this section for a fiscal

1 year are not sufficient to pay in full the total
2 amount allocated under paragraphs (1) and (2), the
3 Secretary shall make an equitable pro-rata reduction
4 to the amount allocated to each State under para-
5 graph (1), and each territory and possession under
6 paragraph (2), for the fiscal year.

7 (d) REQUIREMENTS.—To receive an allocation under
8 the program, a State, Indian tribe, or territory or posses-
9 sion shall—

10 (1) submit to the Secretary an application, in
11 such form and by such date as the Secretary may
12 specify, that contains—

13 (A) a plan describing the means by which
14 the State, Indian tribe, or territory or posses-
15 sion will distribute and ensure proper use of
16 funds made available under the program; and

17 (B) such other information as the Sec-
18 retary may require; and

19 (2) agree—

20 (A) to use the allocation to provide to eligi-
21 ble households, for use in paying eligible trans-
22 portation expenses—

23 (i) not more than \$1500 for a fiscal
24 year per eligible household, if the eligible

1 household is comprised of a single indi-
2 vidual; or

3 (ii) not more than \$2500 for a fiscal
4 year per eligible household, if the eligible
5 household is comprised of 2 or more indi-
6 viduals;

7 (B) to conduct, as soon as practicable after
8 September 30 of the fiscal year for which the
9 State, Indian tribe, or territory or possession
10 first receives an allocation under the program,
11 and annually thereafter before each other allo-
12 cation to the State, Indian tribe, or territory or
13 possession under the program, a public hearing
14 with respect to the proposed use and distribu-
15 tion of funds under the program for each fiscal
16 year;

17 (C) to conduct outreach activities to en-
18 sure, to the maximum extent practicable, that
19 eligible households, particularly eligible house-
20 holds with elderly individuals, disabled individ-
21 uals, or both, and households with high trans-
22 portation expenses, are informed of the assist-
23 ance available under the program;

1 (D) to coordinate activities under this sec-
2 tion with similar and related Federal and State
3 programs;

4 (E) to establish such fiscal control and ac-
5 counting procedures as are necessary to ensure
6 proper disbursement of and accounting for Federal
7 funds allocated to the State, Indian tribe, or
8 territory or possession under the program; and

9 (F) to comply with such other require-
10 ments as the Secretary may establish.

11 (e) NONDISCRIMINATION.—Section 2606 of the Low-
12 Income Home Energy Assistance Act of 1981 (42 U.S.C.
13 8625) shall apply to each State, Indian tribe, and territory
14 or possession that receives an allocation and provides
15 grants to eligible households under the program.

16 (f) LOW-INCOME TRANSPORTATION ENERGY ASSIST-
17 ANCE FUND.—

18 (1) ESTABLISHMENT.—There is established in
19 the Treasury of the United States a fund, to be
20 known as the “Low-Income Transportation Energy
21 Assistance Fund”, consisting of such amounts as
22 may be appropriated or credited to the Fund under
23 paragraph (2).

24 (2) TRANSFERS TO FUND.—

1 (A) IN GENERAL.—There are appropriated
2 to the Fund amounts equivalent to amounts
3 collected in the Treasury as revenue under sec-
4 tion 5896 of the Internal Revenue Code of
5 1986.

6 (B) RULES REGARDING TRANSFERS TO
7 AND MANAGEMENT OF THE FUND.—For pur-
8 poses of this subsection, rules similar to the
9 rules of sections 9601 and 9602 of the Internal
10 Revenue Code of 1986 shall apply.

11 (3) EXPENDITURES FROM FUND.—

12 (A) IN GENERAL.—Subject to subpara-
13 graph (B), on request by the Secretary with re-
14 spect to any fiscal year beginning after Sep-
15 tember 30, 2007, the Secretary of the Treasury
16 shall transfer from the Fund to the Secretary
17 such amounts as the Secretary determines are
18 necessary to allocate funds to States under the
19 program for such fiscal year.

20 (B) ADMINISTRATIVE EXPENSES.—An
21 amount not exceeding 5 percent of the amounts
22 in the Fund shall be available for each fiscal
23 year to pay the administrative expenses nec-
24 essary to carry out this section.

○