

112TH CONGRESS  
2D SESSION

# H. R. 6202

To amend the Internal Revenue Code of 1986 to establish the Coal Mitigation Trust Fund funded by the imposition of a tax on the extraction of coal, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 25, 2012

Mr. McDERMOTT (for himself, Ms. LEE of California, Mr. HONDA, Mr. RANGEL, and Mr. STARK) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend the Internal Revenue Code of 1986 to establish the Coal Mitigation Trust Fund funded by the imposition of a tax on the extraction of coal, 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 “True Cost of Coal Act  
5 of 2012”.

1 **SEC. 2. COAL MITIGATION TRUST 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 new section:

5 **“SEC. 9512. COAL MITIGATION TRUST FUND.**

6 “(a) CREATION OF TRUST FUND.—There is estab-  
7 lished in the Treasury of the United States a trust fund  
8 to be known as the ‘Coal Mitigation Trust Fund’, con-  
9 sisting of such amounts as may be appropriated or cred-  
10 ited to such fund as provided in this section or section  
11 9602(b).

12 “(b) TRANSFERS TO TRUST FUND.—There are here-  
13 by appropriated to the Coal Mitigation Trust Fund  
14 amounts equivalent to the taxes received in the Treasury  
15 under section 4122 (relating to excise tax on coal extrac-  
16 tion).

17 “(c) EXPENDITURES.—

18 “(1) IN GENERAL.—Except as otherwise pro-  
19 vided in this subsection, amounts in the Coal Mitiga-  
20 tion Trust Fund shall be available, as provided by  
21 appropriation Acts, to eligible States for mitigation  
22 of the following in connection with the transpor-  
23 tation of coal by rail: noise, vibration, traffic delays,  
24 pollution and other threats to public health, and  
25 emergencies. Such amounts shall also be so available  
26 for related worker adjustment assistance. Any

1 amounts made available to an eligible State under  
 2 this paragraph shall remain available until expended  
 3 for a purpose described in this paragraph.

4 “(2) ALLOCATION AMONG STATES.—Any  
 5 amounts made available under paragraph (1) shall  
 6 be made available to the eligible States in an amount  
 7 which bears the same ratio to the population of such  
 8 State as the aggregate amount made available bears  
 9 to the aggregate populations of all the eligible  
 10 States.

11 “(3) ELIGIBLE STATES.—For purposes of this  
 12 subsection, the term ‘eligible State’ means any State  
 13 in which not less than 2,500,000 tons of coal per  
 14 year is transported by rail.

15 “(4) AMOUNTS MADE AVAILABLE NOT TO OFF-  
 16 SET REQUIRED EXPENDITURES.—Amounts made  
 17 available under paragraph (1) shall not be used di-  
 18 rectly or indirectly for any expense which any pro-  
 19 ducer or transporter of coal is legally required to  
 20 provide.”.

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

“Sec. 9512. Coal Mitigation Trust Fund.”.

1 **SEC. 3. EXCISE TAX ON COAL EXTRACTION.**

2 (a) IN GENERAL.—Subchapter B of chapter 32 of the  
3 Internal Revenue Code of 1986 is amended by adding at  
4 the end the following new section:

5 **“SEC. 4122. EXCISE TAX ON COAL EXTRACTION.**

6 “(a) IN GENERAL.—There is hereby imposed on the  
7 extraction of coal in the United States a tax equal to \$10  
8 per ton.

9 “(b) CROSS REFERENCE.—For definitions of ‘United  
10 States’ and ‘ton’, see section 4121(c).”.

11 (b) CLERICAL AMENDMENT.—The table of sections  
12 for subchapter B of chapter 32 of such Code is amended  
13 by adding at the end the following new item:

“Sec. 4122. Excise tax on coal extraction.”.

14 (c) EFFECTIVE DATE.—The amendments made by  
15 this section shall apply to coal extracted after the date  
16 of the enactment of this Act.

17 **SEC. 4. EXTENSION OF RECOVERY PERIOD FOR SPECIFIED**  
18 **COAL PORT PROPERTY.**

19 (a) 50-YEAR RECOVERY PERIOD FOR SPECIFIED  
20 COAL PORTS.—

21 (1) IN GENERAL.—The table contained in sec-  
22 tion 168(c) of the Internal Revenue Code of 1986 is  
23 amended by striking the last row and inserting the  
24 following:

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|                                                                              |            |
|------------------------------------------------------------------------------|------------|
| “Any railroad grading, tunnel bore, or specified coal<br>port property ..... | 50 years”. |
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1           (2) ALTERNATIVE DEPRECIATION SYSTEM.—

2           The table contained in section 168(g)(2)(C) of such  
3           Code is amended by striking “or water utility prop-  
4           erty” and inserting “, water utility property, or  
5           specified coal port property”.

6           (b) SPECIFIED COAL PORT PROPERTY.—Subsection  
7           (e) of section 168 of such Code is amended by adding at  
8           the end the following new paragraph:

9           “(9) SPECIFIED COAL PORT PROPERTY.—The  
10          term ‘specified coal port property’ means any prop-  
11          erty which is part of a port (including any wharfs,  
12          stockyards, or conveyers) if—

13               “(A) it is reasonably anticipated at the  
14               time that such property is placed in service that  
15               such port will be used for the export of coal,  
16               and

17               “(B) such port (after such property and  
18               any related property is placed in service) would  
19               have the capacity to export more than  
20               1,000,000 tons of coal annually.”.

21          (c) EFFECTIVE DATE.—The amendments made by  
22          this section shall apply to property placed in service after  
23          the date of the enactment of this Act.

1 **SEC. 5. COVERING COAL CARS.**

2 (a) AMENDMENT.—Subchapter II of chapter 201 of  
3 title 49, United States Code, is amended by adding at the  
4 end the following new section:

5 **“§ 20168. Covering coal cars.**

6 “The Secretary of Transportation shall issue regula-  
7 tions to require all rail cars transporting coal to be covered  
8 or to incorporate a suitable alternative technology that en-  
9 sures that coal and coal dust do not escape the rail car  
10 or are treated to significantly reduce or eliminate the re-  
11 lease of coal dust or other particulate matter during trans-  
12 portation.”.

13 (b) TABLE OF SECTIONS.—The table of sections for  
14 subchapter II of chapter 201 of title 49, United States  
15 Code, is amended by adding at the end the following:

“20168. Covering coal cars.”.

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