

115TH CONGRESS  
2D SESSION

# H. R. 4926

To amend the Internal Revenue Code of 1986 to provide for carbon dioxide and other greenhouse gas emission fees, reduce the rate of the corporate income tax, provide tax credits to workers, deliver additional benefits to retired and disabled Americans, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 5, 2018

Mr. BLUMENAUER (for himself and Mr. CICILLINE) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Transportation and Infrastructure, Veterans' Affairs, Energy and Commerce, and Education and the Workforce, 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 provide for carbon dioxide and other greenhouse gas emission fees, reduce the rate of the corporate income tax, provide tax credits to workers, deliver additional benefits to retired and disabled Americans, 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 “American Opportunity  
5 Carbon Fee Act of 2018”.

1 **TITLE I—CARBON DIOXIDE AND**  
 2 **OTHER GREENHOUSE GAS**  
 3 **EMISSION FEES**

4 **SEC. 101. CARBON DIOXIDE AND OTHER GREENHOUSE GAS**  
 5 **EMISSION FEES.**

6 (a) IN GENERAL.—Chapter 38 of the Internal Rev-  
 7 enue Code of 1986 is amended by adding at the end there-  
 8 of the following new subchapter:

9 **“Subchapter E—Carbon Dioxide and Other**  
 10 **Greenhouse Gas Emission Fees**

“Sec. 4691. Fee for carbon dioxide emissions.

“Sec. 4692. Fee on fluorinated greenhouse gases.

“Sec. 4693. Fee for other greenhouse gas emissions.

“Sec. 4694. Associated emissions.

“Sec. 4695. Border adjustments for energy-intensive manufactured goods.

“Sec. 4696. Definitions and other rules.

11 **“SEC. 4691. FEE FOR CARBON DIOXIDE EMISSIONS.**

12 **“(a) IN GENERAL.—**

13 **“(1) FOSSIL FUEL PRODUCTS PRODUCING CAR-**  
 14 **BON EMISSIONS.—**

15 **“(A) IN GENERAL.—**There is hereby im-  
 16 posed a fee in an amount equal to the applica-  
 17 ble amount at the rate specified in subpara-  
 18 graph (B) on—

19 **“(i) coal—**

20 **“(I) removed from any mine in**  
 21 **the United States, or**

1 “(II) entered into the United  
2 States for consumption, use, or  
3 warehousing,

4 “(ii) petroleum products—

5 “(I) removed from any refinery,

6 “(II) removed from any terminal,

7 or

8 “(III) entered into the United  
9 States for consumption, use, or  
10 warehousing, and

11 “(iii) natural gas—

12 “(I) entered into any processor,

13 or

14 “(II) entered into the United  
15 States for consumption, use, or  
16 warehousing.

17 “(B) RATE.—The rate specified in this  
18 subparagraph with respect to any product de-  
19 scribed in subparagraph (A) is an amount equal  
20 to the applicable amount per ton of carbon di-  
21 oxide that would be emitted through the com-  
22 bustion of such product (as determined by the  
23 Secretary, in consultation with the Secretary of  
24 Energy and the Administrator of the Environ-  
25 mental Protection Agency).

1           “(2) EMISSIONS ATTRIBUTABLE TO OTHER  
2           SUBSTANCES.—There is hereby imposed a fee in an  
3           amount equal to the applicable amount per ton of  
4           carbon dioxide emitted—

5                   “(A) from any facility which—

6                           “(i) is required to report emissions, or  
7                           to which emissions are attributed, under  
8                           subpart A of part 98 of title 40, Code of  
9                           Federal Regulations, as in effect on the  
10                          date of the enactment of the American Op-  
11                          portunity Carbon Fee Act of 2018, and

12                           “(ii) emitted not less than 25,000  
13                          tons of carbon dioxide emissions during the  
14                          previous calendar year, and

15                          “(B) by reason of the combustion or proc-  
16                          essing of any product other than coal, petro-  
17                          leum products, and natural gas.

18           “(b) APPLICABLE AMOUNT.—

19                   “(1) IN GENERAL.—For purposes of this part,  
20           the applicable amount is—

21                           “(A) for calendar year 2019, \$50,

22                           “(B) for any calendar year following a year  
23                          which is not a national emissions target attain-  
24                          ment year, the sum of—

1 “(i) the product of the amount in ef-  
 2 fect under this subparagraph for the pre-  
 3 ceding calendar year and 102 percent, and

4 “(ii) the inflation adjustment amount  
 5 determined under paragraph (2), and

6 “(C) for any calendar year following a year  
 7 which is a national emissions target attainment  
 8 year, the sum of—

9 “(i) the amount in effect under this  
 10 subparagraph for the preceding calendar  
 11 year, and

12 “(ii) the inflation adjustment amount  
 13 determined under paragraph (2).

14 “(2) INFLATION ADJUSTMENT AMOUNT.—

15 “(A) IN GENERAL.—The inflation adjust-  
 16 ment amount for any calendar year shall be an  
 17 amount (not less than zero) equal to the prod-  
 18 uct of—

19 “(i) the amount determined under  
 20 paragraph (1)(B)(i) or (1)(C)(i), as appli-  
 21 cable, for such year, and

22 “(ii) the percentage by which the CPI  
 23 for the preceding calendar year exceeds the  
 24 CPI for the second preceding calendar  
 25 year.

1           “(B) CPI.—Rules similar to the rules of  
2           paragraphs (4) and (5) of section 1(f) shall  
3           apply for purposes of this paragraph.

4           “(3) ROUNDING.—The applicable amount under  
5           this subsection shall be rounded up to the next whole  
6           dollar amount.

7           “(4) NATIONAL EMISSIONS TARGET ATTAIN-  
8           MENT YEAR.—For purposes of paragraph (1), a cal-  
9           endar year is a national emissions target attainment  
10          year if the level of greenhouse gas emissions in the  
11          United States for the calendar year does not exceed  
12          20 percent of the level of greenhouse gas emissions  
13          in the United States for calendar year 2005 as de-  
14          termined by the Secretary in consultation with the  
15          Administrator of the Environmental Protection  
16          Agency.

17          “(c) REFUNDS FOR CAPTURING CARBON DIOXIDE  
18          AND PRODUCTION OF CERTAIN GOODS.—

19                 “(1) CARBON DIOXIDE CAPTURE, UTILIZATION,  
20                 AND STORAGE.—

21                         “(A) IN GENERAL.—In the case of a per-  
22                         son who—

23                                 “(i) uses any coal, petroleum product,  
24                                 or natural gas for which a fee has been im-  
25                                 posed under subsection (a)(1) in a manner

1 which results in the emission of qualified  
2 carbon dioxide,

3 “(ii) captures the resulting emitted  
4 qualified carbon dioxide at a qualified facil-  
5 ity, and

6 “(iii)(I) disposes of such qualified car-  
7 bon dioxide in secure storage, or

8 “(II) utilizes such qualified carbon di-  
9 oxide in a manner provided in subpara-  
10 graph (D),

11 there shall be allowed a refund, in the same  
12 manner as if it were an overpayment of the fee  
13 imposed by such subsection, to such person in  
14 the amount determined under subparagraph  
15 (B).

16 “(B) AMOUNT OF REFUND.—The amount  
17 of the refund under this subparagraph is an  
18 amount equal to the product of—

19 “(i) the applicable amount under sub-  
20 section (b) for the calendar year in which  
21 such qualified carbon dioxide was captured  
22 and disposed or utilized, and

23 “(ii) the adjusted tons of qualified  
24 carbon dioxide captured and disposed or  
25 utilized.

1           “(C) ADJUSTED TOTAL TONS.—For pur-  
2           poses of subparagraph (B), the adjusted tons of  
3           qualified carbon dioxide captured and disposed  
4           or utilized shall be the total tons of qualified  
5           carbon dioxide captured and disposed or utilized  
6           reduced by the amount of any anticipated leak-  
7           age of carbon dioxide into the atmosphere due  
8           to imperfect storage technology or otherwise, as  
9           determined by the Secretary in consultation  
10          with the Administrator of the Environmental  
11          Protection Agency.

12          “(D) REQUIREMENTS.—

13               “(i) IN GENERAL.—Any refund under  
14               subparagraph (A) shall apply only with re-  
15               spect to qualified carbon dioxide that has  
16               been captured and disposed or utilized  
17               within the United States.

18               “(ii) DISPOSAL AND SECURE STOR-  
19               AGE.—

20               “(I) SECURE STORAGE.—The  
21               Secretary, in consultation with the  
22               Administrator of the Environmental  
23               Protection Agency and the Secretary  
24               of Energy, shall establish regulations  
25               similar to the regulations under sec-



tion 45Q(d)(2) for determining adequate security measures for the secure storage of qualified carbon dioxide for purposes of subparagraph (A)(iii)(I) such that the carbon dioxide does not escape into the atmosphere. Such regulations shall ensure the stored carbon dioxide may not be sold, transferred, or exported for any purpose that results in the emission of carbon dioxide.

“(II) RECAPTURE.—The Secretary shall, by regulations, provide for recapturing the benefit of any refund made under subparagraph (A) with respect to any qualified carbon dioxide which is disposed in secure storage and ceases to be stored in a manner consistent with the requirements of this section.

“(iii) UTILIZATION.—The Secretary, in consultation with the Administrator of the Environmental Protection Agency, shall establish regulations providing for the appropriate methods and manners for the

1 utilization of qualified carbon dioxide  
2 under subparagraph (A)(iii)(II), including  
3 the utilization of captured carbon dioxide  
4 for enhanced oil or gas recovery and the  
5 production of substances such as plastics,  
6 biofuels, algae, and chemicals. Such regula-  
7 tions shall provide for the minimization of  
8 the escape or further emission of the quali-  
9 fied carbon dioxide into the atmosphere.

10 “(E) QUALIFIED CARBON DIOXIDE; QUALI-  
11 FIED FACILITY.—For purposes of this para-  
12 graph—

13 “(i) QUALIFIED CARBON DIOXIDE.—  
14 The term ‘qualified carbon dioxide’ has the  
15 same meaning given that term under sec-  
16 tion 45Q(b).

17 “(ii) QUALIFIED FACILITY.—The term  
18 ‘qualified facility’ has the same meaning  
19 given that term under section 45Q(c), de-  
20 termined without regard to paragraph (3)  
21 thereof.

22 “(2) MANUFACTURE OF CERTAIN GOODS.—In  
23 the case of a person who uses any coal, petroleum  
24 product, or natural gas for which a fee has been im-  
25 posed under subsection (a)(1) as an input for a

1       manufactured good that encapsulates carbon dioxide  
2       in a manner such that it does not result in the direct  
3       emission of carbon dioxide in the manufacturing or  
4       subsequent use of such good, a refund shall be al-  
5       lowed to such person in the same manner as if it  
6       were an overpayment of the fee imposed by such sec-  
7       tion in an amount that is equal to the product of—

8               “(A) an amount equal to the applicable  
9               amount under subsection (b) for the calendar  
10              year in which such product was used, and

11              “(B) the total tons of carbon dioxide that  
12              would have otherwise been emitted through the  
13              combustion of such product.

14              “(3) EXPORTS.—In the case of a person who  
15              exports any coal, petroleum product, or natural gas  
16              from the United States for which a fee has been im-  
17              posed under subsection (a)(1), a refund shall be al-  
18              lowed to such person in the same manner as if it  
19              were an overpayment of the fee imposed by such sec-  
20              tion in an amount that is equal to the fee previously  
21              imposed under such subsection with respect to such  
22              product (determined without regard to any increase  
23              under section 4694).

1 **“SEC. 4692. FEE ON FLUORINATED GREENHOUSE GASES.**

2 “(a) IN GENERAL.—There is hereby imposed a fee  
3 in an amount determined under subsection (b) on  
4 fluorinated greenhouse gases—

5 “(1) produced at a fluorinated greenhouse gas  
6 production facility,

7 “(2) imported into the United States by a  
8 fluorinated greenhouse gas importer, or

9 “(3) emitted by an industrial fluorinated green-  
10 house gas facility.

11 “(b) AMOUNT OF FEE.—The amount of fee imposed  
12 by subsection (a) shall be equal to the applicable percent-  
13 age (as defined in subsection (c)(5)) of the applicable  
14 amount determined under section 4691(b) per ton of car-  
15 bon dioxide equivalent produced or imported.

16 “(c) DEFINITIONS.—For purposes of this section—

17 “(1) FLUORINATED GREENHOUSE GASES.—The  
18 term ‘fluorinated greenhouse gases’ means sulfur  
19 hexafluoride (SF<sub>6</sub>), nitrogen trifluoride (NF<sub>3</sub>), any  
20 hydrofluorocarbon, any perfluorocarbon, any fully  
21 fluorinated linear, branched or cyclic alkane, ether,  
22 tertiary amine or aminoether, any  
23 perfluoropolyether, any hydrofluoropolyether, and  
24 any other fluorocarbon except for substances with  
25 vapor pressures of less than 1 mm of Hg absolute  
26 at 25 degrees Celsius.

1           “(2) FLUORINATED GREENHOUSE GAS PRODUC-  
2           TION FACILITY.—The term ‘fluorinated greenhouse  
3           gas production facility’ means any facility which is  
4           included under the industrial gas supplier source  
5           category under subpart OO of part 98 of title 40,  
6           Code of Federal Regulations, as in effect on the date  
7           of the enactment of the American Opportunity Car-  
8           bon Fee Act of 2018.

9           “(3) FLUORINATED GREENHOUSE GAS IM-  
10          PORTER.—The term ‘fluorinated greenhouse gas im-  
11          porter’ means any importer who is included under—

12               “(A) the industrial gas supplier source cat-  
13               egory under subpart OO of part 98 of title 40,  
14               Code of Regulations, as in effect on the date of  
15               the enactment of the American Opportunity  
16               Carbon Fee Act of 2018, or

17               “(B) the source category under subpart  
18               QQ of such part (as so in effect).

19          “(4) INDUSTRIAL FLUORINATED GREENHOUSE  
20          GAS FACILITY.—The term ‘industrial greenhouse gas  
21          facility’ means any facility which—

22               “(A) is included under—

23                       “(i) the aluminum production source  
24                       category under subpart F of part 98 of  
25                       title 40, Code of Regulations, as in effect

1 on the date of the enactment of the Amer-  
2 ican Opportunity Carbon Fee Act of 2018,  
3 “(ii) the HCFC–22 production and  
4 HFC–23 destruction source category under  
5 subpart O of such part (as so in effect), or  
6 “(iii) the fluorinated gas production  
7 source category under subpart L of such  
8 part (as so in effect), and  
9 “(B) emitted during the previous calendar  
10 year fluorinated greenhouse gases with a total  
11 carbon dioxide equivalent of not less than  
12 25,000 tons.  
13 “(5) APPLICABLE PERCENTAGE.—The term  
14 ‘applicable percentage’ means the percentage deter-  
15 mined in accordance with the following table:

“In the case of any taxable year beginning in calendar year:	The applicable percentage is:
2019, 2020, or 2021 .....	10 percent
2022 .....	20 percent
2023 .....	30 percent
2024 .....	40 percent
2025 .....	50 percent
2026 .....	60 percent
2027 .....	70 percent
2028 .....	80 percent
2029 .....	90 percent
2030 or thereafter .....	100 percent.

16 “(d) EXEMPTION FOR EXPORTS.—For purposes of  
17 determining fluorinated greenhouse gases produced or im-  
18 ported under subsection (a), there shall not be taken into

1 account any fluorinated greenhouse gases exported from  
2 the United States in bulk or exported from the United  
3 States in equipment pre-charged with fluorinated green-  
4 house gases or containing fluorinated greenhouse gases in  
5 closed cell foams.

6 “(e) REFUND FOR CONSUMPTIVE USES AND DE-  
7 STRUCTION.—In the case of a person who uses any  
8 fluorinated greenhouse gas for which a fee has been im-  
9 posed under paragraph (1) or (2) of subsection (a) as an  
10 input for a manufactured good that transforms the  
11 fluorinated greenhouse gas such that it cannot later be  
12 emitted or otherwise destroys the gas (without emissions),  
13 a refund shall be allowed to such person in the same man-  
14 ner as if it were an overpayment of the fee imposed by  
15 such subsection in an amount that is equal to the product  
16 of—

17 “(1) an amount equal to the applicable percent-  
18 age (as defined in subsection (c)(5)) of the applica-  
19 ble amount under section 4691(b), for the calendar  
20 year in which such fluorinated greenhouse gas was  
21 used or destroyed, and

22 “(2) the excess (if any) of—

23 “(A) the total carbon dioxide equivalent of  
24 the fluorinated greenhouse gases used or de-  
25 stroyed, over

1           “(B) the total carbon dioxide equivalent of  
2           any fluorinated greenhouse gases created as the  
3           result of the transformation or destruction  
4           process.

5   **“SEC. 4693. FEE FOR OTHER GREENHOUSE GAS EMISSIONS.**

6           “(a) IN GENERAL.—There is hereby imposed a fee  
7   in an amount determined under subsection (b) on the  
8   emission (including attributed emissions) of any green-  
9   house gas (other than carbon dioxide or fluorinated green-  
10   house gases) from any greenhouse gas emissions source.

11          “(b) AMOUNT OF FEE.—The amount of fee imposed  
12   by subsection (a) shall be equal to the applicable amount  
13   determined under section 4691(b) per ton of carbon diox-  
14   ide equivalent emitted by the greenhouse gas emissions  
15   source.

16          “(c) GREENHOUSE GAS EMISSIONS SOURCE.—The  
17   term ‘greenhouse gas emissions source’ means any facility  
18   which—

19               “(1) is required to report emissions (or which  
20   would be required to report emissions notwith-  
21   standing any other provision of law prohibiting the  
22   implementation of or use of funds for such require-  
23   ments), or to which emissions are attributed, under  
24   part 98 of title 40, Code of Federal Regulations, as



1 in effect on the date of the enactment of the Amer-  
2 ican Opportunity Carbon Fee Act of 2018, and

3 “(2) emitted during the previous calendar year  
4 greenhouse gases (not including carbon dioxide or  
5 fluorinated greenhouse gases) at a rate equal to the  
6 carbon dioxide equivalent of not less than 25,000  
7 tons.

8 **“SEC. 4694. ASSOCIATED EMISSIONS.**

9 “(a) REPORTING PROGRAM.—

10 “(1) IN GENERAL.—Not later than January 1,  
11 2021, the Secretary, in consultation with the Admin-  
12 istrator of the Environmental Protection Agency, the  
13 Secretary of the Interior, the Administrator of the  
14 Energy Information Administration, and the Admin-  
15 istrator of the Pipeline and Hazardous Materials  
16 Safety Administration, shall establish and implement  
17 a program to identify all major source categories of  
18 associated emissions and collect data on associated  
19 emissions from the coal, petroleum products, and  
20 natural gas supply chains.

21 “(2) ANNUAL REPORT.—Not later than 12  
22 months after the date that the Secretary implements  
23 the program described in paragraph (1), and annu-  
24 ally thereafter, the Secretary shall issue a report, to  
25 be made available to the public and the appropriate

1 committees of Congress, on associated emissions, in-  
2 cluding—

3 “(A) identification of all major source cat-  
4 egories of associated emissions, and

5 “(B) the total amount, expressed in tons of  
6 carbon dioxide equivalent, of—

7 “(i) methane and other greenhouse  
8 gases emitted across the coal supply chain  
9 within the United States during the pre-  
10 ceding calendar year,

11 “(ii) methane and other greenhouse  
12 gases emitted across the petroleum prod-  
13 ucts supply chain within the United States  
14 during the preceding calendar year, and

15 “(iii) methane and other greenhouse  
16 gases emitted across the natural gas sup-  
17 ply chain within the United States during  
18 the preceding calendar year.

19 “(b) SUPPLEMENTARY FEE FOR ASSOCIATED EMIS-  
20 SIONS.—

21 “(1) COAL.—In the case of any calendar year  
22 beginning after 2021, the fee imposed under section  
23 4691(a)(1) with respect to coal shall be increased by  
24 the amount determined by the Secretary (in con-  
25 sultation with the Administrator of the Environ-

1       mental Protection Agency) necessary to ensure that  
2       the total fees collected under such section with re-  
3       spect to coal are equal to the total amount of such  
4       fees that would be collected on coal if the fee im-  
5       posed under section 4691(a)(1) also applied to the  
6       carbon-dioxide equivalent of greenhouse gas emis-  
7       sions reported under subsection (a)(2)(B)(i).

8               “(2) PETROLEUM PRODUCTS.—In the case of  
9       any calendar year beginning after 2021, the fee im-  
10      posed under section 4691(a)(1) with respect to pe-  
11      troleum products shall be increased by the amount  
12      determined by the Secretary (in consultation with  
13      the Administrator of the Environmental Protection  
14      Agency) necessary to ensure that the total fees col-  
15      lected under such section with respect to petroleum  
16      products are equal to the total amount of such fees  
17      that would be collected on petroleum products if the  
18      fee imposed under section 4691(a)(1) also applied to  
19      the carbon-dioxide equivalent of greenhouse gas  
20      emissions reported under subsection (a)(2)(B)(ii).

21              “(3) NATURAL GAS.—In the case of any cal-  
22      endar year beginning after 2021, the fee imposed  
23      under section 4691(a)(1) with respect to natural gas  
24      shall be increased by the amount determined by the  
25      Secretary (in consultation with the Administrator of

1 the Environmental Protection Agency) necessary to  
 2 ensure that the total fees collected under such sec-  
 3 tion with respect to natural gas are equal to the  
 4 total amount of such fees that would be collected on  
 5 natural gas if the fee imposed under section  
 6 4691(a)(1) also applied to the carbon-dioxide equiva-  
 7 lent of greenhouse gas emissions reported under sub-  
 8 section (a)(2)(B)(iii).

9 **“SEC. 4695. BORDER ADJUSTMENTS FOR ENERGY-INTEN-**  
 10 **SIVE MANUFACTURED GOODS.**

11 “(a) PURPOSE.—The purpose of this section is to en-  
 12 sure the environmental effectiveness of this subchapter.

13 “(b) EXPORTS.—

14 “(1) IN GENERAL.—In the case of any energy-  
 15 intensive manufactured good which is exported from  
 16 the United States, the Secretary shall pay to the  
 17 person exporting such good a refund equal to the  
 18 amount of the cost of such good attributable to any  
 19 fees imposed under this subchapter on inputs used  
 20 in the manufacturing of such energy-intensive manu-  
 21 factured good (as determined under regulations es-  
 22 tablished by the Secretary).

23 “(2) REDUCTION IN REFUND.—The amount of  
 24 the refund under paragraph (1) shall be reduced by  
 25 the amount, if any, of fees imposed on such goods

1 or comparable domestically produced energy-inten-  
2 sive manufactured goods by the foreign nation or  
3 governmental unit to which such good is exported.

4 “(c) IMPORTS.—

5 “(1) IMPOSITION OF EQUIVALENCY FEE.—In  
6 the case of any energy-intensive manufactured good  
7 imported into the United States, there is imposed an  
8 equivalency fee on the person importing such good  
9 in an amount equal to the cost of such good which  
10 would be attributable to any fees imposed under this  
11 subchapter on inputs used in the manufacturing of  
12 such good if the inputs used in manufacturing such  
13 good were subject to such fees (as determined under  
14 regulations established by the Secretary).

15 “(2) REDUCTION IN FEE.—The amount of the  
16 equivalency fee under paragraph (1) shall be reduced  
17 by the amount, if any, of any fees imposed on such  
18 energy-intensive manufactured goods by the foreign  
19 nation or governmental units from which such good  
20 was imported.

21 “(d) TREATMENT OF ALTERNATIVE POLICIES AS  
22 FEES.—Under regulations established by the Secretary,  
23 foreign policies that have substantially the same effect in  
24 reducing emissions of greenhouse gases as fees shall be

1 treated as fees for purposes of subsections (b)(2) and  
2 (c)(2).

3 “(e) REGULATORY AUTHORITY.—

4 “(1) IN GENERAL.—The Secretary shall consult  
5 with the Administrator of the Environmental Protec-  
6 tion Agency and the Secretary of Energy in estab-  
7 lishing rules and regulations implementing the pur-  
8 poses of this section.

9 “(2) TREATIES.—The Secretary, in consulta-  
10 tion with the Secretary of State, may adjust the ap-  
11 plicable amounts of the refunds and equivalency fees  
12 under this section in a manner that is consistent  
13 with any obligations of the United States under an  
14 international agreement.

15 **“SEC. 4696. DEFINITIONS AND OTHER RULES.**

16 “(a) DEFINITIONS.—For purposes of this sub-  
17 chapter:

18 “(1) CARBON DIOXIDE EQUIVALENT.—The  
19 term ‘carbon dioxide equivalent’ means, with respect  
20 to a greenhouse gas, the quantity of such gas that  
21 has a global warming potential equivalent to 1 met-  
22 ric ton of carbon dioxide, as determined pursuant to  
23 table A–1 of subpart A of part 98 of title 40, Code  
24 of Federal Regulations, as in effect on the date of

1 the enactment of the American Opportunity Carbon  
2 Fee Act of 2018.

3 “(2) GREENHOUSE GAS.—The term ‘greenhouse  
4 gas’ has the meaning given such term under section  
5 211(o)(1)(G) of the Clean Air Act, as in effect on  
6 the date of the enactment of the American Oppor-  
7 tunity Carbon Fee Act of 2018.

8 “(3) COAL.—The term ‘coal’ has the same  
9 meaning given such term under section 48A(c)(4).

10 “(4) PETROLEUM PRODUCT.—The term ‘petro-  
11 leum product’ has the same meaning given such  
12 product under section 4612(a)(3).

13 “(5) ASSOCIATED EMISSIONS.—The term ‘asso-  
14 ciated emissions’ means greenhouse gas emissions  
15 attributable to venting, flaring, and leakage across  
16 the supply chain.

17 “(6) SUPPLY CHAIN.—The term ‘supply chain’  
18 means extraction and processing of coal and natural  
19 gas, extraction and refining of petroleum products,  
20 and the transmission, transport, storage, distribu-  
21 tion, import, export, and other activities related to  
22 supplying coal, petroleum products, and natural gas  
23 to a consumer, not otherwise covered elsewhere in  
24 this subchapter as determined by the Administrator  
25 of the Environmental Protection Agency.

1           “(7)     ENERGY-INTENSIVE     MANUFACTURED  
2     GOOD.—

3           “(A) IN GENERAL.—The term ‘energy-in-  
4     tensive manufactured good’ means any manu-  
5     factured good (other than any petroleum prod-  
6     uct or fossil fuel) for which not less than 5 per-  
7     cent of the cost of which is attributable to en-  
8     ergy costs, as determined by the Secretary.

9           “(B) LIST OF ENERGY-INTENSIVE MANU-  
10    FACTURED GOODS.—

11           “(i) INITIAL LIST.—Not later than  
12           180 days after the date of the enactment  
13           of this Act, the Secretary shall publish a  
14           list of goods which qualify as energy-inten-  
15           sive manufactured goods.

16           “(ii) UPDATES.—Not less frequently  
17           than annually, the Secretary shall update  
18           the list published under this subparagraph.

19           “(8) TON.—

20           “(A) IN GENERAL.—The term ‘ton’ means  
21           1,000 kilograms. In the case of any greenhouse  
22           gas which is a gas, the term ‘ton’ means the  
23           amount of such gas in cubic meters which is the  
24           equivalent of 1,000 kilograms on a molecular  
25           weight basis.



1                   “(B) FRACTIONAL PART OF TON.—In the  
 2                   case of a fraction of a ton, any fee imposed by  
 3                   this subchapter on such fraction shall be the  
 4                   same fraction of the amount of such fee im-  
 5                   posed on a whole ton.

6                   “(9) UNITED STATES.—The term ‘United  
 7                   States’ has the meaning given such term by section  
 8                   4612(a)(4).

9                   “(b) OTHER RULES.—

10                  “(1) ASSESSMENT AND COLLECTION.—Payment  
 11                  of the fee imposed by sections 4691, 4692, and 4693  
 12                  shall be assessed and collected in the same manner  
 13                  as taxes under this subtitle.

14                  “(2) REGULATIONS.—The Secretary shall pre-  
 15                  scribe such regulations as may be necessary to carry  
 16                  out the provisions of this subchapter.”.

17                  (b) CLERICAL AMENDMENT.—The table of sub-  
 18                  chapters for chapter 38 of the Internal Revenue Code of  
 19                  1986 is amended by adding at the end the following new  
 20                  item:

“SUBCHAPTER E—CARBON DIOXIDE AND OTHER GREENHOUSE GAS EMISSION  
 FEES”.

21                  (c) EFFECTIVE DATE.—The amendments made by  
 22                  this section shall apply to taxable years beginning after  
 23                  December 31, 2018.

1 **TITLE II—RETURNING FEE REV-**  
2 **ENUE TO THE AMERICAN**  
3 **PEOPLE**

4 **SEC. 201. ESTABLISHMENT OF REFUNDABLE CREDIT FOR**  
5 **WORKERS.**

6 (a) IN GENERAL.—Subpart C of part IV of sub-  
7 chapter A of chapter 1 of the Internal Revenue Code of  
8 1986 is amended by inserting after section 36 the fol-  
9 lowing new section:

10 **“SEC. 36A. CARBON FEE OFFSET CREDIT.**

11 “(a) IN GENERAL.—In the case of an eligible indi-  
12 vidual, there shall be allowed as a credit against the tax  
13 imposed by this subtitle for the taxable year an amount  
14 equal to the lesser of—

15 “(1) 6.2 percent of the earned income of the  
16 taxpayer, or

17 “(2) \$800 (twice such amount in the case of a  
18 joint return).

19 “(b) ELIGIBLE INDIVIDUAL.—For purposes of this  
20 section, the term ‘eligible individual’ means any individual  
21 other than—

22 “(1) any nonresident alien individual,

23 “(2) any individual with respect to whom a de-  
24 duction under section 151 is allowable to another  
25 taxpayer for a taxable year beginning in the cal-

1       endar year in which the individual’s taxable year be-  
2       gins, and

3               “(3) any individual who, for the month of De-  
4       cember of the taxable year, was entitled to or eligible  
5       for a benefit payment described in paragraph (1) or  
6       (2) of section 202(b) of the American Opportunity  
7       Carbon Fee Act of 2018.

8       “(c) EARNED INCOME.—

9               “(1) IN GENERAL.—For purposes of this sec-  
10      tion, the term ‘earned income’ has the meaning  
11      given such term by section 32(c)(2), except that  
12      such term shall not include net earnings from self-  
13      employment which are not taken into account in  
14      computing taxable income.

15              “(2) CERTAIN COMBAT ZONE COMPENSATION.—  
16      For purposes of paragraph (1), any amount ex-  
17      cluded from gross income by reason of section 112  
18      shall be treated as earned income which is taken  
19      into account in computing taxable income for the  
20      taxable year.

21       “(d) INFLATION ADJUSTMENT.—

22              “(1) IN GENERAL.—In the case of a taxable  
23      year beginning after 2019, the \$800 amount in sub-  
24      section (a)(2) shall be increased by an amount equal  
25      to—

1 “(A) such dollar amount, multiplied by

2 “(B) the percentage (if any) by which—

3 “(i) the CPI for the preceding cal-  
4 endar year, exceeds

5 “(ii) the CPI for calendar year 2018.

6 “(2) CPI.—Rules similar to the rules of para-  
7 graphs (4) and (5) of section 1(f) shall apply for  
8 purposes of this subsection.

9 “(3) ROUNDING.—If any dollar amount, after  
10 being increased under paragraph (1), is not a mul-  
11 tiple of \$10, such dollar amount shall be rounded to  
12 the next lowest multiple of \$10.”.

13 (b) REFUNDS DISREGARDED IN THE ADMINISTRA-  
14 TION OF FEDERAL PROGRAMS AND FEDERALLY AS-  
15 SISTED PROGRAMS.—Any credit or refund allowed or  
16 made to any individual by reason of section 36A of the  
17 Internal Revenue Code of 1986 (as added by this section)  
18 shall not be taken into account as income and shall not  
19 be taken into account as resources for purposes of deter-  
20 mining the eligibility of such individual or any other indi-  
21 vidual for benefits or assistance, or the amount or extent  
22 of benefits or assistance, under any Federal program or  
23 under any State or local program financed in whole or in  
24 part with Federal funds.

25 (c) CONFORMING AMENDMENTS.—

1           (1) Section 6211(b)(4)(A) of the Internal Rev-  
 2           enue Code of 1986 is amended by inserting “36A,”  
 3           after “36,”.

4           (2) The table of sections for subpart C of part  
 5           IV of subchapter A of chapter 1 of such Code is  
 6           amended by inserting after the item relating to sec-  
 7           tion 36 the following new item:

“Sec. 36A. Carbon fee offset credit.”.

8           (d) EFFECTIVE DATE.—The amendments made by  
 9           this section shall apply to taxable years beginning after  
 10          December 31, 2018.

11   **SEC. 202. ESTABLISHMENT OF PAYMENTS TO SOCIAL SECU-**  
 12                           **RITY BENEFICIARIES AND OTHER RETIRED**  
 13                           **AND DISABLED AMERICANS.**

14          (a) AUTHORITY TO MAKE PAYMENTS.—The Sec-  
 15          retary of the Treasury or the Secretary of the Treasury’s  
 16          delegate (referred to in this section as the “Secretary”)  
 17          shall, during the period between April 1 and May 15 of  
 18          calendar year 2020 and each year thereafter, disburse a  
 19          payment to each eligible beneficiary in an amount equal  
 20          to the amount in effect for taxable years beginning in the  
 21          preceding calendar year under section 36A(a)(2) of the In-  
 22          ternal Revenue Code of 1986.

23          (b) ELIGIBLE BENEFICIARY.—For purposes of this  
 24          section, the term “eligible beneficiary” means an indi-

1 vidual who, for the month of December of the preceding  
2 year, was—

3 (1) entitled to any benefit payment described in  
4 subparagraph (B) of section 2201(a)(1) of the  
5 American Recovery and Reinvestment Act of 2009;  
6 or

7 (2) eligible for a benefit payment described in  
8 subparagraph (C) of such section.

9 (c) RESIDENCY REQUIREMENT.—A payment may be  
10 made under this section only to an eligible beneficiary who  
11 resides in any State (as defined in section 204(f)), as de-  
12 termined based on the current address of record for such  
13 beneficiary under the applicable program for payment of  
14 benefits described in subsection (b).

15 (d) NO DOUBLE PAYMENTS.—An eligible beneficiary  
16 may not receive more than 1 payment per calendar year  
17 under this section, regardless of whether such beneficiary  
18 is entitled to or eligible for more than 1 benefit payment  
19 described in paragraph (1) or (2) of subsection (b).

20 (e) IDENTIFICATION OF RECIPIENTS.—The Commis-  
21 sioner of Social Security, the Railroad Retirement Board,  
22 and the Secretary of Veterans Affairs shall certify the eli-  
23 gible beneficiaries entitled to receive payments under this  
24 section and provide the Secretary with any information  
25 necessary to disburse such payments.

1 (f) APPLICATION OF ADDITIONAL RULES.—Rules  
2 similar to the rules of subsections (a)(4), (c), and (d) of  
3 section 2201 of the American Recovery and Reinvestment  
4 Act of 2009 shall apply for purposes of payments under  
5 this section.

6 **SEC. 203. STATE-BASED COST MITIGATION GRANT PRO-**  
7 **GRAM.**

8 (a) IN GENERAL.—The Secretary of the Treasury  
9 shall provide to each State which meets the requirements  
10 of subsection (d) a cost mitigation grant for each calendar  
11 year after 2018 in an amount determined under sub-  
12 section (c).

13 (b) USE OF FUNDS.—A State receiving a cost mitiga-  
14 tion grant under this section may use the grant only—

15 (1) to assist low-income households in reducing  
16 energy expenses and meeting cost increases attrib-  
17 utable to the fees imposed under subchapter E of  
18 chapter 38 of the Internal Revenue Code of 1986  
19 (as added by this Act);

20 (2) to assist rural households in reducing en-  
21 ergy expenses and meeting such increases attrib-  
22 utable to such fees; and

23 (3) to provide job training and worker transi-  
24 tion assistance, with priority given to workers and  
25 former workers in fossil-fuel related industries.

1 (c) AMOUNT OF GRANT.—

2 (1) IN GENERAL.—The amount of the cost miti-  
3 gation grant made to any State for any calendar  
4 year shall be equal to the product of—

5 (A) the annual grant limitation determined  
6 under paragraph (3) for such calendar year;  
7 and

8 (B) the State allocation percentage for the  
9 State (determined under paragraph (2)).

10 (2) STATE ALLOCATION PERCENTAGE.—The  
11 “State allocation percentage” for a State is the  
12 amount (expressed as a percentage) equal to the  
13 quotient of—

14 (A) the population of such State (as re-  
15 ported in the most recent decennial census);  
16 and

17 (B) the population of all States (as re-  
18 ported in the most recent decennial census).

19 (3) ANNUAL APPROPRIATION FOR GRANTS.—

20 (A) IN GENERAL.—The annual grant limi-  
21 tation is \$10,000,000,000.

22 (B) INFLATION ADJUSTMENT.—

23 (i) IN GENERAL.—In the case of any  
24 calendar year after 2019, the  
25 \$10,000,000,000 amount in subparagraph



1 (A) shall be increased by an amount equal  
 2 to—

3 (I) such dollar amount; multi-  
 4 plied by

5 (II) the percentage (if any) by  
 6 which—

7 (aa) the CPI for the pre-  
 8 ceding calendar year; exceeds

9 (bb) the CPI for calendar  
 10 year 2018.

11 (ii) CPI.—Rules similar to the rules  
 12 of paragraphs (4) and (5) of section 1(f)  
 13 of the Internal Revenue Code of 1986 shall  
 14 apply for purposes of this subparagraph.

15 (4) REDISTRIBUTION.—In any case in which  
 16 one or more States do not meet the requirements de-  
 17 scribed in subsection (d) for a calendar year, an  
 18 amount equal to the State allocation percentage for  
 19 such State or States shall be distributed to each  
 20 State which did meet such conditions in an amount  
 21 equal to the product of—

22 (A) such amount; and

23 (B) the State allocation percentage of such  
 24 State (determined by not taking into account  
 25 under paragraph (2)(B) the population of any

1 State which did not meet the requirements of  
2 subsection (d) for such calendar year).

3 (d) REQUIREMENTS FOR RECEIPT OF GRANT.—

4 (1) IN GENERAL.—A State is eligible to receive  
5 a cost mitigation grant for any calendar year if—

6 (A) the chief executive officer of the State  
7 certifies that the State will use such grant as  
8 needed to deliver benefits to all eligible low-in-  
9 come individuals through a household rebate  
10 program;

11 (B) the State has filed with the Secretary  
12 of the Treasury a State plan covering the cal-  
13 endar year which details the use of the funds  
14 received under the grant;

15 (C) the State agrees to comply with any  
16 audit requirements under subsection (d); and

17 (D) the State has complied with the re-  
18 quirements of this section for all preceding  
19 years or the State has remedied all prior non-  
20 compliance to the satisfaction of the Secretary  
21 of the Treasury.

22 (2) HOUSEHOLD REBATE PROGRAM.—For pur-  
23 poses of paragraph (1)(A)—

24 (A) IN GENERAL.—The term “household  
25 rebate program” means a program for deliv-

1           ering to monthly benefits in an aggregate an-  
2           nual amount equal to the applicable amount to  
3           all eligible low-income individuals through a  
4           State-administered electronic benefit transfer  
5           system.

6           (B) APPLICABLE AMOUNT.—The term  
7           “applicable amount” means, with respect to any  
8           eligible low-income individual for any calendar  
9           year, an amount equal to the excess of—

10           (i) the amount in effect for taxable  
11           years ending with or within the preceding  
12           calendar year under section 36A(a)(2) of  
13           the Internal Revenue Code of 1986; over

14           (ii) any amount allowed or claimed as  
15           a credit by such individual under such sec-  
16           tion for the taxable year ending with or  
17           within the preceding calendar year.

18           (C) ELIGIBLE LOW-INCOME INDIVIDUAL.—  
19           The term “eligible low-income individual”  
20           means, with respect to any calendar year, any  
21           individual who—

22           (i) has attained the age of 18 before  
23           the end of the calendar year;

24           (ii) lives in a household that has a  
25           gross income that does not exceed 150 per-

cent of the poverty line as defined by section 673(2) of the Community Services Block Grant Act;

(iii) participates in a federally funded State administered assistance program or otherwise applies for such benefits under such a program; and

(iv) for the month of December of the preceding calendar year, was not entitled to or eligible for a benefit payment described in section 202(b).

(D) COORDINATION RULES.—The Secretary of the Treasury shall coordinate with the States and other applicable Federal agencies to identify eligible low-income individuals.

(e) AUDITS.—The Secretary of the Treasury shall audit the State use of grants under this section to ensure such uses comply with the requirements of this section and with the uses identified by the State under subsection (d)(1)(B). The Secretary may withhold a grant under this section if the Secretary determines that a State has not complied with such requirements.

(f) STATE.—For purposes of this section, the term “State” includes the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Com-

1 monwealth of the Northern Mariana Islands, and the  
 2 United States Virgin Islands.

3 (g) APPROPRIATIONS.—For any fiscal year, there is  
 4 hereby appropriated an amount equal to the annual grant  
 5 limitation determined under subsection (c)(3) for the cal-  
 6 endar year in which such fiscal year begins.

## 7 **TITLE III—OTHER PROVISIONS**

### 8 **SEC. 301. PUBLIC DISCLOSURE OF REVENUES AND EX-** 9 **PENDITURES.**

10 (a) ESTABLISHMENT OF WEBSITE.—The Secretary  
 11 of the Treasury, or the Secretary’s designee, shall estab-  
 12 lish a website for purposes of making the disclosures de-  
 13 scribed in subsection (b).

14 (b) DISCLOSURES.—The Secretary shall make pub-  
 15 licly available, on an ongoing basis and as frequently as  
 16 possible, the following information:

17 (1) The amount and sources of revenue attrib-  
 18 utable to this Act and the amendments made by this  
 19 Act.

20 (2) The amount of tax savings and benefits re-  
 21 ceived as a result of title II of this Act.

### 22 **SEC. 302. SEVERABILITY.**

23 If any provision of this Act or amendment made by  
 24 this Act, or the application of a provision or amendment  
 25 to any person or circumstance, is held to be unconstitu-

1 tional, the remainder of this Act and amendments made  
2 by this Act, and the application of the provisions and  
3 amendment to any person or circumstance, shall not be  
4 affected by the holding.

○