

116TH CONGRESS
1ST SESSION

H. R. 3966

To amend the Internal Revenue Code of 1986 to reduce social security payroll taxes and to reduce the reliance of the United States economy on carbon-based energy sources, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 25, 2019

Mr. LIPINSKI (for himself and Mr. ROONEY of Florida) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Energy and Commerce, Education and Labor, and Rules, 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

A BILL

To amend the Internal Revenue Code of 1986 to reduce social security payroll taxes and to reduce the reliance of the United States economy on carbon-based energy sources, 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 “Raise Wages, Cut Car-
5 bon Act of 2019”.

1 **SEC. 2. INCREASE IN THE LOW-INCOME HOUSING ENERGY**
2 **ASSISTANCE PROGRAM AND THE WEATHER-**
3 **IZATION ASSISTANCE PROGRAM.**

4 (a) LIHEAP.—On October 1, 2020, and each Octo-
5 ber 1 thereafter, there shall be made available, without
6 further appropriation or fiscal year limitation, to carry out
7 the Low-Income Home Energy Assistance Act of 1981 (42
8 U.S.C. 8621 et seq.) an amount equal to 5 percent of the
9 net revenues received in the Treasury during the previous
10 fiscal year from the taxes imposed under parts II, III, and
11 IV of subchapter E of chapter 38 of the Internal Revenue
12 Code of 1986.

13 (b) WEATHERIZATION ASSISTANCE PROGRAM.—On
14 October 1, 2020, and each October 1 thereafter, there
15 shall be made available, without further appropriation or
16 fiscal year limitation, to carry out the weatherization as-
17 sistance program established under part A of title IV of
18 the Energy Conservation and Production Act (42 U.S.C.
19 6861 et seq.) an amount equal to 1 percent of the net
20 revenues received in the Treasury during the previous fis-
21 cal year from the taxes imposed under parts II, III, and
22 IV of subchapter E of chapter 38 of the Internal Revenue
23 Code of 1986.

24 (c) ADDITION TO OTHER AMOUNTS.—Amounts made
25 available pursuant to this section shall be in addition to
26 other amounts made available to carry out the Low-In-

1 come Home Energy Assistance Act of 1981 and the
2 weatherization assistance program established under part
3 A of title IV of the Energy Conservation and Production
4 Act for the fiscal year involved.

5 **SEC. 3. DISTRIBUTION OF CERTAIN ESTIMATED REVENUES**
6 **TO SOCIAL SECURITY BENEFICIARIES.**

7 Not later than October 1 of each fiscal year beginning
8 with fiscal year 2020, the Commissioner of Social Security
9 shall pay an amount out of the general fund of the Treas-
10 ury, equal to 10 percent of the net revenues received in
11 the Treasury during the previous fiscal year from the
12 taxes imposed under parts II, III, and IV of subchapter
13 E of chapter 38 of the Internal Revenue Code of 1986,
14 to be distributed equally among each individual entitled
15 to monthly insurance benefits under title II of the Social
16 Security Act (42 U.S.C. 401 et seq.) or to an annuity
17 under section 2 of the Railroad Retirement Act of 1974
18 for the 1st month in such fiscal year.

19 **SEC. 4. REDUCTION OF CERTAIN SOCIAL SECURITY TAXES;**
20 **TAX ON COMBUSTIBLE FOSSIL FUELS.**

21 (a) IN GENERAL.—Chapter 38 of the Internal Rev-
22 enue Code of 1986 (relating to environmental taxes) is
23 amended by adding at the end thereof the following new
24 subchapter:

1 **“Subchapter E—Reduction of Certain Social**
 2 **Security Taxes; Tax on Combustible Fos-**
 3 **sil Fuels**

“PART I—REDUCTION OF CERTAIN SOCIAL SECURITY TAXES

“PART II—TAX ON COMBUSTIBLE FOSSIL FUELS

“PART III—TAX ON CERTAIN ADDITIONAL IMPORTED PRODUCTS

“PART IV—TAX ON FLUORINATED GREENHOUSE GASES

“PART V—SUPERMAJORITY REQUIRED TO CHANGE REVENUE NEUTRALITY

4 **“PART I—REDUCTION OF CERTAIN SOCIAL**
 5 **SECURITY TAXES**

“Sec. 4691. Social Security taxes and benefits.

6 **“SEC. 4691. SOCIAL SECURITY TAXES AND BENEFITS.**

7 “(a) AMOUNTS APPROPRIATED TO SOCIAL SECURITY
 8 TRUST FUNDS.—

9 “(1) IN GENERAL.—There are hereby appro-
 10 priated to the social security trust funds an amount
 11 equal to the excess (if any) of—

12 “(A) net revenues received in the Treasury
 13 from the taxes imposed by parts II, III, and IV,
 14 over

15 “(B) the net expenditures from the Treas-
 16 ury under sections 2 and 3 of the Raise Wages,
 17 Cut Carbon Act of 2019.

18 “(2) ALLOCATION AMONG FUNDS.—Amounts
 19 appropriated under paragraph (1) shall be allocated
 20 among such funds as determined appropriate by the

1 Managing Trustee of the Board of Trustees of the
2 Trust Funds (within the meaning of title II of the
3 Social Security Act), in cooperation with the Rail-
4 road Retirement Board.

5 “(b) REDUCTION IN CERTAIN SOCIAL SECURITY
6 TAXES.—

7 “(1) IN GENERAL.—The rate of each specified
8 social security tax for each calendar year (deter-
9 mined without regard to this section) shall be re-
10 duced by the number of percentage points equal
11 to—

12 “(A) such rate, multiplied by

13 “(B) the reduction percentage determined
14 by the Secretary for such calendar year.

15 “(2) REDUCTION PERCENTAGE.—The reduction
16 percentage determined by the Secretary under para-
17 graph (1) for any calendar year shall be the percent-
18 age which the Secretary estimates will result in ag-
19 gregate appropriations into each trust fund equal to
20 the amount which would (without regard to this sec-
21 tion) be appropriated to each trust fund for such
22 calendar year.

23 “(c) DEFINITIONS.—For purposes of this sub-
24 chapter—

1 “(1) SPECIFIED SOCIAL SECURITY TAX.—The
2 term ‘specified social security tax’ means—

3 “(A) the tax imposed by section 3101(a)
4 (and so much of the tax imposed by section
5 3201(a) or section 3211(a) as is determined by
6 reference to the tax imposed by section
7 3101(a)), and

8 “(B) $\frac{1}{2}$ the tax imposed by section
9 1401(a).

10 “(2) SOCIAL SECURITY TRUST FUND.—The
11 term ‘social security trust fund’ means—

12 “(A) the Federal Old-Age and Survivors
13 Insurance Trust Fund established by section
14 201(a) of the Social Security Act,

15 “(B) the Federal Disability Insurance
16 Trust Fund established by section 201(b) of the
17 Social Security Act, and

18 “(C) the Social Security Equivalent Ben-
19 efit Account established under section 15A of
20 the Railroad Retirement Act of 1974.

21 “(d) DETERMINATION BASED ON ESTIMATES.—De-
22 terminations under this section and sections 2 and 3 of
23 the Raise Wages, Cut Carbon Act of 2019 shall be made
24 on the basis of estimates by the Secretary. To the extent
25 that any such determination for any period is determined

1 to have been inaccurate, such determination for the subse-
 2 quent period shall be appropriately increased or decreased
 3 by the amount that the previous determination was less
 4 than, or in excess of, the more accurate determination.

5 “(e) PUBLICATION OF RATE REDUCTIONS.—Any ad-
 6 justment under this section of social security tax rates for
 7 any calendar year shall be published in the Federal Reg-
 8 ister not later than 2 months before the beginning of such
 9 calendar year.

10 **“PART II—TAX ON COMBUSTIBLE FOSSIL FUELS**

“Sec. 4692. Imposition of tax.

“Sec. 4693. Refunds or credits.

“Sec. 4694. Other definitions and special rules.

11 **“SEC. 4692. IMPOSITION OF TAX.**

12 “(a) IN GENERAL.—There is hereby imposed a tax
 13 on any taxable carbon substance sold by the manufacturer,
 14 producer, or importer thereof.

15 “(b) AMOUNT OF TAX.—

16 “(1) IN GENERAL.—The amount of tax imposed
 17 by subsection (a) on any taxable carbon substance
 18 shall be the applicable amount per ton of the carbon
 19 dioxide emissions potential of such substance, as de-
 20 termined by the Secretary in consultation with the
 21 Secretary of Energy.

22 “(2) FRACTIONAL PART OF TON.—In the case
 23 of a fraction of a ton, the tax imposed by subsection

1 (a) shall be the same fraction of the amount of such
2 tax imposed on a whole ton.

3 “(3) APPLICABLE AMOUNT.—

4 “(A) IN GENERAL.—For purposes of this
5 part, the applicable amount is—

6 “(i) for calendar year 2020, \$40,

7 “(ii) for any calendar year following a
8 year which is not a national emissions tar-
9 get attainment year, the sum of—

10 “(I) the product of the amount in
11 effect under this subparagraph for the
12 preceding calendar year and 102.5
13 percent, and

14 “(II) the inflation adjustment
15 amount determined under subpara-
16 graph (B), and

17 “(iii) for any calendar year following a
18 year which is a national emissions target
19 attainment year, the sum of—

20 “(I) the amount in effect under
21 this subparagraph for the preceding
22 calendar year, and

23 “(II) the inflation adjustment
24 amount determined under subpara-
25 graph (B).

1 “(B) INFLATION ADJUSTMENT AMOUNT.—

2 “(i) IN GENERAL.—The inflation ad-
3 justment amount for any calendar year
4 shall be an amount (not less than zero)
5 equal to the product of—

6 “(I) the amount determined
7 under subparagraph (A)(ii)(I) or
8 (A)(iii)(I), as applicable, for such
9 year, and

10 “(II) the percentage by which the
11 CPI for the preceding calendar year
12 exceeds the CPI for the second pre-
13 ceding calendar year.

14 “(ii) CPI.—Rules similar to the rules
15 of paragraphs (4) and (5) of section 1(f)
16 shall apply for purposes of this paragraph.

17 “(C) ROUNDING.—The applicable amount
18 under this subsection shall be rounded up to
19 the next whole dollar amount.

20 “(D) NATIONAL EMISSIONS TARGET AT-
21 TAINMENT YEAR.—For purposes of subpara-
22 graph (A), a calendar year is a national emis-
23 sions target attainment year if the level of
24 greenhouse gas emissions in the United States
25 for the calendar year does not exceed 20 per-

1 cent of the level of greenhouse gas emissions in
2 the United States for calendar year 2005 as de-
3 termined by the Secretary in consultation with
4 the Administrator of the Environmental Protec-
5 tion Agency.

6 “(c) TAXABLE CARBON SUBSTANCE.—For purposes
7 of this subchapter, the term ‘taxable carbon substance’
8 means—

9 “(1) coal (including lignite and peat),

10 “(2) petroleum and any petroleum product (as
11 defined in section 4612(a)(3)), and

12 “(3) natural gas,
13 which is extracted, manufactured, or produced in the
14 United States or entered into the United States for con-
15 sumption, use, or warehousing.

16 “(d) SUBSTANCE TAXED ONLY ONCE.—No tax shall
17 be imposed by subsection (a) with respect to a taxable car-
18 bon substance if the person who would be liable for such
19 tax establishes that a prior tax imposed by such section
20 has been imposed with respect to such substance.

21 **“SEC. 4693. REFUNDS OR CREDITS.**

22 “(a) SEQUESTERED CARBON.—Under regulations
23 prescribed by the Secretary, if a person uses a taxable car-
24 bon substance so that the carbon associated with such sub-
25 stance will not be emitted, then an amount equal to the

1 amount of tax in effect under section 4692(b) with respect
2 to such substance for the calendar year in which such use
3 begins shall be allowed as a credit or refund (without in-
4 terest) to such person in the same manner as if it were
5 an overpayment of tax imposed by section 4692.

6 “(b) PREVIOUSLY TAXED CARBON SUBSTANCES
7 USED TO MAKE ANOTHER TAXABLE CARBON SUB-
8 STANCE.—Under regulations prescribed by the Secretary,
9 if—

10 “(1) a tax under section 4692 was paid with re-
11 spect to any taxable carbon substance, and

12 “(2) such substance was used by any person in
13 the manufacture or production of any other sub-
14 stance which is a taxable carbon substance,

15 then an amount equal to the tax so paid shall be allowed
16 as a credit or refund (without interest) to such person in
17 the same manner as if it were an overpayment of tax im-
18 posed by section 4692. In any case to which this sub-
19 section applies, the amount of any such credit or refund
20 shall not exceed the amount of tax imposed by section
21 4692 on the other taxable fuel manufactured or produced
22 (or which would have been imposed by such subsection on
23 such other fuel but for section 4692(d)).

24 “(c) EXEMPTION FOR EXPORTS.—

25 “(1) TAX-FREE SALES.—

1 “(A) IN GENERAL.—No tax shall be im-
2 posed under subsection (a) on the sale by the
3 manufacturer or producer of any taxable carbon
4 substance for export or for resale by the pur-
5 chaser to a second purchaser for export.

6 “(B) PROOF OF EXPORT REQUIRED.—
7 Rules similar to the rules of section 4221(b)
8 shall apply for purposes of subparagraph (A).

9 “(2) CREDIT OR REFUND.—If—

10 “(A) any person exports—

11 “(i) a taxable carbon substance, or

12 “(ii) any other product any portion of
13 the cost of which is attributable to the use
14 of any taxable carbon substance as an en-
15 ergy source for the manufacture or produc-
16 tion of such product, and

17 “(B) such person establishes to the satis-
18 faction of the Secretary the portion of such cost
19 which is attributable to the tax under section
20 4692,

21 credit or refund (without interest) of such tax shall
22 be allowed or made to such person.

23 “(3) REGULATIONS.—The Secretary shall pre-
24 scribe such regulations as may be necessary to carry
25 out the purposes of this subsection.

1 **“SEC. 4694. OTHER DEFINITIONS AND SPECIAL RULES.**

2 “(a) DEFINITIONS.—For purposes of this sub-
3 chapter—

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

7 “(2) IMPORTER.—The term ‘importer’ means
8 the person entering the article for consumption, use,
9 or warehousing.

10 “(3) TON.—The term ‘ton’ means 2,000
11 pounds. In the case of any taxable carbon substance
12 which is a gas, the term ‘ton’ means the amount of
13 such gas in cubic feet which is the equivalent of
14 2,000 pounds on a molecular weight basis.

15 “(b) USE TREATED AS SALE.—If any person manu-
16 factures, produces, or imports any taxable carbon sub-
17 stance and uses such substance, then such person shall
18 be liable for tax under section 4692 in the same manner
19 as if such substance were sold by such person.

20 “(c) SPECIAL RULES FOR INVENTORY EX-
21 CHANGES.—

22 “(1) IN GENERAL.—Except as provided in para-
23 graph (2), in any case in which a manufacturer, pro-
24 ducer, or importer of a taxable carbon substance ex-
25 changes such substance as part of an inventory ex-
26 change with another person—

1 “(A) such exchange shall not be treated as
2 a sale, and

3 “(B) such other person shall, for purposes
4 of section 4692, be treated as the manufac-
5 turer, producer, or importer of such substance.

6 “(2) REGISTRATION REQUIREMENT.—Para-
7 graph (1) shall not apply to any inventory exchange
8 unless—

9 “(A) both parties are registered with the
10 Secretary as manufacturers, producers, or im-
11 porters of taxable carbon substances, and

12 “(B) the person receiving the taxable car-
13 bon substance has, at such time as the Sec-
14 retary may prescribe, notified the manufac-
15 turer, producer, or importer of such person’s
16 registration number and the internal revenue
17 district in which such person is registered.

18 “(3) INVENTORY EXCHANGE.—For purposes of
19 this subsection, the term ‘inventory exchange’ means
20 any exchange in which 2 persons exchange property
21 which is, in the hands of each person, property de-
22 scribed in section 1221(a)(1).

23 **“PART III—TAX ON CERTAIN ADDITIONAL**
24 **IMPORTED PRODUCTS**

“Sec. 4695. Imposition of tax.

“Sec. 4696. Imported taxable product.

1 **“SEC. 4695. IMPOSITION OF TAX.**

2 “(a) IN GENERAL.—There is hereby imposed a tax
3 on any imported taxable product sold or used by the im-
4 porter thereof.

5 “(b) AMOUNT OF TAX.—The amount of the tax im-
6 posed by subsection (a) with respect to any imported tax-
7 able product shall be the applicable amount under section
8 4692 per ton on the lesser of—

9 “(1) the taxable carbon substances used in the
10 manufacture or production of such product, or

11 “(2) the carbon dioxide emissions attributable
12 to the manufacture or production of such product.

13 “(c) PROCEDURE TO CHALLENGE INFORMATION
14 PROVIDED BY IMPORTER.—The Secretary shall establish
15 a procedure under which interested persons may examine
16 the information provided by an importer for purposes of
17 this section, and bring to the attention of the Secretary
18 any suspected errors in such information.

19 **“SEC. 4696. IMPORTED TAXABLE PRODUCT.**

20 “(a) IN GENERAL.—For purposes of this part, the
21 term ‘imported taxable product’ means any article which,
22 at the time of such article’s sale or use by the importer,
23 is described in the same heading of the Harmonized Tariff
24 Schedule of the United States as a like article produced
25 in a listed industry.

1 “(b) LISTED INDUSTRY.—For purposes of this sec-
2 tion—

3 “(1) IN GENERAL.—Except as provided in para-
4 graph (2), the term ‘listed industry’ means any in-
5 dustry listed by the Administrator as being among
6 the industries which, in the aggregate, account for
7 95 percent of the taxable carbon substances used in
8 the United States. An industry may not be omitted
9 from the list under the preceding sentence if it uses
10 more taxable carbon substances per unit of output
11 than any industry which is so listed.

12 “(2) SPECIAL RULE FOR 2020 THROUGH 2022.—

13 “(A) 2020.—During 2020, the term ‘listed
14 industry’ shall include only the 6 industries on
15 the list under paragraph (1) having the highest
16 average use of taxable carbon substances per
17 unit of output.

18 “(B) 2021 AND 2022.—During 2021 and
19 2022, the term ‘listed industry’ shall include
20 only—

21 “(i) the industries described in sub-
22 paragraph (A), and

23 “(ii)(I) in the case of 2021, the $\frac{1}{3}$ of
24 the remaining industries on such list hav-

1 ing the highest average use of taxable car-
 2 bon substances per unit of output, or
 3 “(II) in the case of 2022, the $\frac{2}{3}$ of
 4 the remaining industries on such list hav-
 5 ing the highest average use of taxable car-
 6 bon substances per unit of output.

7 “(c) OTHER DEFINITIONS.—For purposes of this
 8 part, the terms ‘importer’, ‘taxable carbon substance’, and
 9 ‘United States’ have the respective meanings given such
 10 terms by part II.

11 **“PART IV—TAX ON FLUORINATED GREENHOUSE**
 12 **GASES**

13 **“SEC. 4697. IMPOSITION OF TAX.**

14 “(a) FLUORINATED GAS FEE.—There is hereby im-
 15 posed a tax on any fluorinated greenhouse gas which is
 16 required to be reported under part 98 of title 40, Code
 17 of Federal Regulations.

18 “(b) AMOUNT.—The tax imposed under subsection
 19 (a) shall be paid by the person required to so report in
 20 an amount equal to—

21 “(1) the total amount, in metric tons of CO₂-
 22 e, of emitted fluorinated greenhouse gases (or, in the
 23 case of a supplier, emissions that would result deter-
 24 mined under the rules of such part), multiplied by

1 “(2) an amount equal to 10 percent of the ap-
 2 plicable amount in effect under section 4692 for the
 3 calendar year of such emission.

4 **“PART V—SUPERMAJORITY REQUIRED TO**
 5 **CHANGE REVENUE NEUTRALITY**

6 **“SEC. 4698. SUPERMAJORITY REQUIRED.**

7 “A bill, joint resolution, amendment to a bill or joint
 8 resolution, or conference report that increases aggregate
 9 revenues under parts II, III, and IV greater than the ag-
 10 gregate of—

11 “(1) the reduction in revenues under part I,
 12 and

13 “(2) the aggregate expenditures under sections
 14 2 and 3 of the Raise Wages, Cut Carbon Act of
 15 2019,

16 may not be considered as passed or agreed to by the
 17 House of Representatives or the Senate unless so deter-
 18 mined by a vote of not less than two-thirds of the Members
 19 of the House of Representatives or the Senate (as the case
 20 may be) voting, a quorum being present.”.

21 (b) CLERICAL AMENDMENT.—The table of sub-
 22 chapters for chapter 38 of such Code is amended by add-
 23 ing at the end the following new item:

“SUBCHAPTER F. REDUCTION OF SOCIAL SECURITY TAXES; TAX ON
 COMBUSTIBLE FOSSIL FUELS”.

1 (c) EFFECTIVE DATE.—The amendments made by
 2 this section shall take effect on January 1, 2020.

3 **SEC. 5. AMENDMENTS TO THE CLEAN AIR ACT.**

4 (a) IN GENERAL.—Title III of the Clean Air Act (42
 5 U.S.C. 7601) is amended by adding at the end the fol-
 6 lowing:

7 **“SEC. 330. SUSPENSION OF REGULATION OF FUELS AND**
 8 **EMISSIONS BASED ON GREENHOUSE GAS EF-**
 9 **FECTS.**

10 “(a) FUELS.—Unless specifically authorized in sec-
 11 tion 202, 211, 213, or 231 or this section, if a tax is im-
 12 posed by part II or III of subchapter E of chapter 38
 13 of the Internal Revenue Code of 1986 with respect to a
 14 covered fuel, the Administrator shall not enforce any rule
 15 limiting the emission of greenhouse gases from the com-
 16 bustion of that fuel under this Act (or impose any require-
 17 ment on any State to limit such emission) on the basis
 18 of the emission’s greenhouse gas effects.

19 “(b) EMISSIONS.—Unless specifically authorized in
 20 section 202, 211, 213, or 231 or this section, if a tax is
 21 imposed by part IV of subchapter E of chapter 38 of the
 22 Internal Revenue Code of 1986 with respect to a
 23 fluorinated greenhouse gas, the Administrator shall not
 24 enforce any rule limiting such gas under this Act (or im-

1 pose any requirement on any State to limit such gas) on
2 the basis of the greenhouse gas effects of such gas.

3 “(c) AUTHORIZED REGULATION.—Notwithstanding
4 subsections (a) and (b), nothing in this section limits the
5 Administrator’s authority pursuant to any other provision
6 of this Act—

7 “(1) to limit the emission of any greenhouse
8 gas because of any adverse impact on health or wel-
9 fare other than its greenhouse gas effects;

10 “(2) in limiting emissions as described in para-
11 graph (1), to consider the collateral benefits of lim-
12 iting the emissions because of greenhouse gas ef-
13 fects;

14 “(3) to limit the emission of black carbon or
15 any other pollutant that is not a greenhouse gas
16 that the Administrator determines by rule has heat-
17 trapping properties; or

18 “(4) to take any action with respect to any
19 greenhouse gas other than limiting its emission, in-
20 cluding—

21 “(A) monitoring, reporting, and record-
22 keeping requirements;

23 “(B) conducting or supporting investiga-
24 tions; and

25 “(C) information collection.

1 “(d) EXCEPTION FOR CERTAIN GREENHOUSE GAS
 2 EMISSIONS.—Notwithstanding subsections (a) and (b),
 3 nothing in this section limits the Administrator’s authority
 4 to regulate greenhouse gas emissions from—

5 “(1) sources that—

6 “(A) are subject to subpart OOOO or
 7 OOOOa of part 60 of title 40, Code of Federal
 8 Regulations, as in effect on January 1, 2018; or

9 “(B) would be subject to such subpart
 10 OOOO or subpart OOOOa if such subpart ap-
 11 plied regardless of the date on which construc-
 12 tion, modification, or reconstruction of the
 13 source involved commenced; or

14 “(2) POTW Treatment Plants (as defined in
 15 section 403.3(r) of title 40, Code of Federal Regula-
 16 tions).

17 “(e) SUSPENSION EXPIRATION.—

18 “(1) DETERMINATION.—The Administrator
 19 shall make a determination by March 30, 2030, and
 20 no less than once every five years thereafter, as to
 21 whether cumulative greenhouse gas emissions from
 22 covered fuels subject to tax under part II or III of
 23 subchapter E of chapter 38 of the Internal Revenue
 24 Code of 1986 during the period from calendar year
 25 2022 through the calendar year preceding the deter-

mination exceed the cumulative emissions for that period that would have occurred if subsection (a) had not applied during such period.

“(2) CONSEQUENCE OF CUMULATIVE EMISSIONS EXCEEDANCE.—If the Administrator determines under paragraph (1) that cumulative greenhouse gas emissions from covered fuels subject to tax under part II or III of subchapter E of chapter 38 of the Internal Revenue Code of 1986 exceed the cumulative emissions for the period covered by the determination that would have occurred if subsection (a) had not applied during such period, then subsections (a) and (b) of this section, and the prohibition in section 211(c)(5) of this Act, shall cease to apply as of such determination.

“(f) ASSURING ENVIRONMENTAL INTEGRITY.—

“(1) AUTHORITY.—If the Administrator makes the determination described in subsection (e)(2), the Administrator shall—

“(A) issue such regulations as the Administrator deems necessary to bring greenhouse gas emissions from covered fuels subject to tax under part II or III of subchapter E of chapter 38 of the Internal Revenue Code of 1986 to levels that are at or below the level at which such

1 emissions would have been if subsection (a) had
2 never applied, and

3 “(B) require in such regulations that addi-
4 tional reductions in greenhouse gas emissions
5 are achieved to fully compensate for any
6 amount by which greenhouse gas emissions
7 from such fuels during the period referred to in
8 subsection (e)(2) exceeded the levels at which
9 such emissions would have been if subsection
10 (a) had never applied.

11 “(2) DEADLINE FOR FINALIZING REGULA-
12 TIONS.—The Administrator shall finalize any regula-
13 tions required by paragraph (1) not later than two
14 years after the Administrator makes the relevant de-
15 termination pursuant to such paragraph.

16 “(3) ACHIEVEMENT OF ADDITIONAL REDUC-
17 TIONS.—Regulations issued pursuant to paragraph
18 (1) shall ensure that any additional reductions re-
19 quired by paragraph (1)(B) are fully achieved by no
20 later than eight years after the Administrator makes
21 the determination described in subsection (e)(1).

22 “(g) DEFINITIONS.—In this section—

23 “(1) GREENHOUSE GAS.—The term ‘greenhouse
24 gas’ means carbon dioxide (CO₂), methane (CH₄),
25 nitrous oxide (N₂O), sulfur hexafluoride (SF₆), hy-

1 drofluorocarbons (HFCs), perfluorocarbon (PFCs),
2 and other gases as defined by rule of the Adminis-
3 trator.

4 “(2) GREENHOUSE GAS EFFECT.—The term
5 ‘greenhouse gas effect’ means the adverse effects of
6 greenhouse gases on health or welfare caused by the
7 greenhouse gas’s heat-trapping potential or its effect
8 on ocean acidification.”.

9 (b) NEW MOTOR VEHICLES AND NEW MOTOR VEHI-
10 CLE ENGINES.—Section 202(b) of the Clean Air Act (42
11 U.S.C. 7521(b)) is amended—

12 (1) by redesignating the second paragraph (3)
13 (as redesignated by section 230(4)(C) of Public Law
14 101–549 (104 Stat. 2529)) as paragraph (4); and

15 (2) by adding at the end the following:

16 “(5) Notwithstanding subsections (a) and (b) of
17 section 330, the Administrator may—

18 “(A) limit the emission of any greenhouse
19 gas (as defined in section 330(g)) on the basis
20 of the emission’s greenhouse gas effects (as de-
21 fined in such section) from any class or classes
22 of new motor vehicles or new motor vehicle en-
23 gines subject to regulation under subsection
24 (a)(1); and

1 “(B) grant a waiver under section
2 209(b)(1) for standards for the control of
3 greenhouse gas emissions.”.

4 (c) FUELS.—Section 211(c) of the Clean Air Act (42
5 U.S.C. 7545(c)) is amended by adding at the end the fol-
6 lowing new paragraph:

7 “(5) The Administrator shall not, pursuant to this
8 subsection, impose on any manufacturer or processor of
9 fuel any requirement for the purpose of reducing the emis-
10 sion of any greenhouse gas (as defined in section 330(g))
11 produced by combustion of the fuel on the basis of the
12 emission’s greenhouse gas effects (as defined in such sec-
13 tion).”.

14 (d) NONROAD ENGINES AND VEHICLES EMISSIONS
15 STANDARDS.—Section 213 of the Clean Air Act (42
16 U.S.C. 7547) is amended by adding at the end the fol-
17 lowing:

18 “(e) GREENHOUSE GAS EMISSIONS.—Notwith-
19 standing section 330(a), the Administrator may limit the
20 emission of any greenhouse gas (as defined in section
21 330(g)) on the basis of the emission’s greenhouse gas ef-
22 fects (as defined in such section) from any nonroad en-
23 gines and nonroad vehicles subject to regulation under this
24 section.”.

1 (e) AIRCRAFT EMISSION STANDARDS.—Section 231
2 of the Clean Air Act (42 U.S.C. 7571) is amended by add-
3 ing at the end the following new subsection:
4 “(d) Notwithstanding subsections (a) and (b) of sec-
5 tion 330, the Administrator may limit the emission of any
6 greenhouse gas (as defined in section 330(g)) on the basis
7 of the emission’s greenhouse gas effects (as defined in
8 such section) from any class or classes of aircraft engines,
9 so long as any such limitation is not more stringent than
10 the standards adopted by the International Civil Aviation
11 Organization.”.

