

116TH CONGRESS
2D SESSION

S. 4484

To amend the Internal Revenue Code of 1986 to establish a carbon fee to reduce greenhouse gas emissions, and for other purposes.

IN THE SENATE OF THE UNITED STATES

AUGUST 6, 2020

Mr. DURBIN introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to establish a carbon fee to reduce greenhouse gas emissions, 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 “America’s Clean Fu-
5 ture Fund Act”.

6 **SEC. 2. CLIMATE CHANGE FINANCE CORPORATION.**

7 (a) ESTABLISHMENT.—

8 (1) IN GENERAL.—There is established in the
9 executive branch an independent agency, to be
10 known as the “Climate Change Finance Corpora-

tion” (referred to in this section as the “C2FC”),
which shall finance clean energy and climate change
resiliency activities in accordance with subsection
(c).

(2) MISSION.—

(A) IN GENERAL.—The mission of the
C2FC is to combat and reduce the effects of cli-
mate change by building resilience among com-
munities facing harmful impacts of climate
change and supporting a dramatic reduction in
greenhouse gas emissions—

(i) through the deployment of clean
and renewable technology, resilient infra-
structure, research and development, the
commercialization of new technology, clean
energy manufacturing, and industrial
decarbonization; and

(ii) to meet the goals of—

(I) by 2030, a net reduction of
greenhouse gas emissions by 45 per-
cent, based on 2018 levels; and

(II) by 2050, a net reduction of
greenhouse gas emissions by 100 per-
cent, based on 2018 levels.

1 (B) ACTIVITIES.—The C2FC shall carry
2 out the mission described in subparagraph (A)
3 by—

4 (i) financing investments in clean en-
5 ergy and transportation, resiliency, and in-
6 frastructure;

7 (ii) using Federal investment to en-
8 courage the infusion of private capital and
9 investment into the clean energy and resil-
10 ient infrastructure sectors, while creating
11 new workforce opportunities; and

12 (iii) providing financing in cases
13 where private capital cannot be leveraged,
14 while minimizing competition with private
15 investment.

16 (3) EXERCISE OF POWERS.—Except as other-
17 wise provided expressly by law, all Federal laws deal-
18 ing with public or Federal contracts, property,
19 works, officers, employees, budgets, or funds, includ-
20 ing the provisions of chapters 5 and 7 of title 5,
21 United States Code, shall apply to the exercise of
22 the powers of the C2FC.

23 (b) BOARD OF DIRECTORS.—

24 (1) IN GENERAL.—The management of the
25 C2FC shall be vested in a Board of Directors (re-

ferred to in this section as the “Board”) consisting of 7 members, who shall be appointed by the President, by and with the advice and consent of the Senate.

(2) CHAIRPERSON AND VICE CHAIRPERSON.—

(A) IN GENERAL.—A Chairperson and Vice Chairperson of the Board shall be appointed by the President, by and with the advice and consent of the Senate, from among the individuals appointed to the Board under paragraph (1).

(B) TERM.—An individual—

(i) shall serve as Chairperson or Vice Chairperson of the Board for a 3-year term; and

(ii) may be renominated for the position until the term of that individual on the Board under paragraph (3)(C) expires.

(3) BOARD MEMBERS.—

(A) CITIZENSHIP REQUIRED.—Each member of the Board shall be an individual who is a citizen of the United States.

(B) REPRESENTATION.—The members of the Board shall fairly represent agricultural, educational, research, industrial, nongovern-

1 mental, labor, and commercial interests
2 throughout the United States.

3 (C) TERM.—

4 (i) IN GENERAL.—Except as otherwise
5 provided in this section, each member of
6 the Board—

7 (I) shall be appointed for a term
8 of 6 years; and

9 (II) may be reappointed for 1 ad-
10 ditional term.

11 (ii) INITIAL STAGGERED TERMS.—Of
12 the members first appointed to the
13 Board—

14 (I) 2 shall each be appointed for
15 a term of 2 years;

16 (II) 3 shall each be appointed for
17 a term of 4 years; and

18 (III) 2 shall each be appointed
19 for a term of 6 years.

20 (4) INITIAL MEETING.—Not later than 30 days
21 after the date on which all members of the Board
22 are appointed under paragraph (1), the Board shall
23 hold an initial meeting.

24 (c) INVESTMENT TOOLS.—

25 (1) DEFINITIONS.—In this subsection:

1 (A) ELIGIBLE BORROWER.—The term “eli-
 2 gible borrower” means any person, including a
 3 business owner or project developer, that seeks
 4 a loan to carry out approved practices or
 5 projects described in subparagraph (A)(i) of
 6 paragraph (2) from an eligible lender that may
 7 receive a loan guarantee under that paragraph
 8 for that loan, according to criteria determined
 9 by the C2FC.

10 (B) ELIGIBLE ENTITY.—The term “eligible
 11 entity” means—

- 12 (i) a State;
- 13 (ii) a unit of local government; and
- 14 (iii) a research and development insti-
 15 tution (including a National Laboratory).

16 (C) ELIGIBLE LENDER.—The term “eligi-
 17 ble lender” means—

- 18 (i) a Federal- or State-chartered
 19 bank;
- 20 (ii) a Federal- or State-chartered
 21 credit union;
- 22 (iii) an agricultural credit corporation;
- 23 (iv) a United States Green Bank In-
 24 stitution; and

1 (v) any other lender that the Board
2 determines has a demonstrated ability to
3 underwrite and service loans for the in-
4 tended approved practice for which the
5 loan will be used.

6 (2) GRANTS, LOAN GUARANTEES, AND OTHER
7 INVESTMENT TOOLS.—

8 (A) IN GENERAL.—The C2FC—

9 (i) shall provide grants to eligible enti-
10 ties and loan guarantees to eligible lenders
11 issuing loans to eligible borrowers for ap-
12 proved practices and projects relating to
13 climate change mitigation and resilience
14 measures, including—

15 (I) energy efficiency upgrades to
16 infrastructure;

17 (II) electric, hydrogen, and clean
18 transportation programs and deploy-
19 ment, including programs—

20 (aa) to purchase personal
21 vehicles, commercial vehicles, and
22 public transportation fleets and
23 school bus fleets;

1 (bb) to deploy electric vehi-
2 cle charging and hydrogen infra-
3 structure; and

4 (cc) to develop and deploy
5 low carbon sustainable aviation
6 fuels;

7 (III) clean energy and vehicle
8 manufacturing research, demonstra-
9 tions, and deployment;

10 (IV) battery storage research,
11 demonstrations, and deployment;

12 (V) development or purchase of
13 equipment for practices described in
14 section 6;

15 (VI) development and deployment
16 of clean energy and clean tech-
17 nologies, with a focus on—

18 (aa) carbon capture, utiliza-
19 tion, and sequestration, bioenergy
20 with carbon capture and seques-
21 tration, direct air capture, and
22 infrastructure associated with
23 those processes, including con-
24 struction of carrier pipelines for

- 1 the transportation of anthropo-
2 genic carbon dioxide;
3 (bb) energy storage and grid
4 modernization;
5 (cc) geothermal energy;
6 (dd) commercial and resi-
7 dential solar;
8 (ee) wind energy; and
9 (ff) any other clean tech-
10 nology use or development, as de-
11 termined by the Board;
12 (VII) measures that anticipate
13 and prepare for climate change im-
14 pacts, and reduce risks and enhance
15 resilience to sea level rise, extreme
16 weather events, and other climate
17 change impacts, including by—
18 (aa) building resilient en-
19 ergy, water, and transportation
20 infrastructure;
21 (bb) providing weatheriza-
22 tion assistance for low-income
23 households; and
24 (cc) increasing the resilience
25 of the agriculture sector; and

1 (VIII) natural infrastructure re-
 2 search, demonstrations, and deploy-
 3 ment; and

4 (ii) may implement other investment
 5 tools and products approved by the Board,
 6 pursuant to subparagraph (D), to achieve
 7 the mission of the C2FC described in sub-
 8 section (a)(2).

9 (B) PROJECT PRIORITIZATION.—

10 (i) DEFINITION OF ENVIRONMENTAL
 11 JUSTICE COMMUNITY.—The term “environ-
 12 mental justice community” means a com-
 13 munity with significant representation of
 14 communities of color, low-income commu-
 15 nities, or Tribal and indigenous commu-
 16 nities that experiences, or is at risk of ex-
 17 perienicing, higher or more adverse human
 18 health or environmental effects.

19 (ii) PRIORITIZATION.—In providing fi-
 20 nancial and other assistance under sub-
 21 paragraph (A), the C2FC shall give pri-
 22 ority to, as determined by the C2FC—

23 (I) deindustrialized communities
 24 or communities with significant local

1 economic reliance on carbon-intensive
2 industries;

3 (II) environmental justice com-
4 munities, communities with popu-
5 lations of color, communities of color,
6 indigenous communities, and low-in-
7 come communities that—

8 (aa) experience a dispropor-
9 tionate burden of the negative
10 human health and environmental
11 impacts of pollution or other en-
12 vironmental hazards; or

13 (bb) may not have access to
14 public information and opportu-
15 nities for meaningful public par-
16 ticipation relating to human
17 health and environmental plan-
18 ning, regulations, and enforce-
19 ment;

20 (III) communities at risk of im-
21 pacts of natural disasters or sea level
22 rise exacerbated by climate change;

23 (IV) public or nonprofit entities
24 that serve dislocated workers, vet-

erans, or individuals with a barrier to
employment; and

(V) communities that have minimal or no investment in the approved practices and projects described in subparagraph (A)(i).

(C) LOAN GUARANTEES.—

(i) IN GENERAL.—In providing loan guarantees under subparagraph (A), the C2FC shall cooperate with eligible lenders through agreements to participate on a deferred (guaranteed) basis.

(ii) LEVEL OF PARTICIPATION IN GUARANTEED LOANS.—In providing a loan guarantee under subparagraph (A), the C2FC shall guarantee 75 percent of the balance of the financing outstanding at the time of disbursement of the loan.

(iii) INTEREST RATES.—Notwithstanding the provisions of the constitution of any State or the laws of any State limiting the rate or amount of interest that may be charged, taken, received, or reserved, the maximum legal rate of interest on any financing made on a deferred basis

under this subsection shall not exceed a rate prescribed by the C2FC.

(iv) GUARANTEE FEES.—

(I) IN GENERAL.—With respect to each loan guaranteed under this subsection (other than a loan that is repayable in 1 year or less), the C2FC shall collect a guarantee fee, which shall be payable by the eligible lender, and may be charged to the eligible borrower in accordance with subclause (II).

(II) BORROWER CHARGES.—A guarantee fee described in subclause (I) charged to an eligible borrower shall not—

(aa) exceed 2 percent of the deferred participation share of a total loan amount that is equal to or less than \$150,000;

(bb) exceed 3 percent of the deferred participation share of a total loan amount that is greater than \$150,000 but less than \$700,000; or

1 (cc) exceed 3.5 percent of
2 the deferred participation share
3 of a total loan amount that is
4 equal to or greater than
5 \$700,000.

6 (D) OTHER INVESTMENT TOOLS AND
7 PRODUCTS.—

8 (i) IN GENERAL.—The Board may,
9 based on market needs, develop and imple-
10 ment any other investment tool or product
11 necessary to achieve the mission of the
12 C2FC described in subsection (a)(2) and
13 the deployment of projects described in
14 subparagraph (A)(i), including offering—

15 (I) warehousing and aggregation
16 credit facilities;

17 (II) zero interest loans;

18 (III) credit enhancements; and

19 (IV) construction finance.

20 (ii) STATE AND LOCAL GREEN
21 BANKS.—The Board shall provide funds to
22 United States Green Bank Institutions as
23 necessary to finance projects that are best
24 served by those entities.

1 (3) WAGE RATE REQUIREMENTS.—All laborers
2 and mechanics employed by eligible entities and eli-
3 gible borrowers on projects funded directly by or as-
4 sisted in whole or in part by the activities of the
5 C2FC under this section shall be paid at wages at
6 rates not less than those prevailing on projects of a
7 similar character in the locality as determined by the
8 Secretary of Labor in accordance with subchapter
9 IV of chapter 31 of title 40, United States Code
10 (commonly known as the “Davis-Bacon Act”).

11 (4) BUY AMERICA REQUIREMENTS.—

12 (A) IN GENERAL.—All iron, steel, and
13 manufactured goods used for projects under
14 this section shall be produced in the United
15 States.

16 (B) WAIVER.—The Board may waive the
17 requirement in subparagraph (A) if the Board
18 finds that—

19 (i) enforcing the requirement would be
20 inconsistent with the public interest;

21 (ii) the iron, steel, and manufactured
22 goods produced in the United States are
23 not produced in a sufficient and reasonably
24 available amount or are not of a satisfac-
25 tory quality; or

1 (iii) enforcing the requirement will in-
2 crease the overall cost of the project by
3 more than 25 percent.

4 (d) PROGRAM REVIEW AND REPORT.—Not later than
5 2 years after the date of enactment of this Act, and every
6 2 years thereafter, the Board shall—

7 (1) conduct a review of the activities of the
8 C2FC; and

9 (2) submit to Congress a report that—

10 (A) describes the projects and funding op-
11 portunities that have been most successful in
12 progressing towards the mission described in
13 subsection (a)(2) during the time period covered
14 by the report; and

15 (B) includes recommendations on the clean
16 energy and resiliency projects that should be
17 prioritized in forthcoming years to achieve that
18 mission.

19 (e) INITIAL CAPITALIZATION.—

20 (1) IN GENERAL.—There is appropriated to
21 carry out this section, out of any funds in the Treas-
22 ury not otherwise appropriated, \$7,500,000,000 for
23 each of fiscal years 2021 and 2022, to remain avail-
24 able until expended.

1 (2) ADDITIONAL CAPITALIZATION.—If, pursu-
 2 ant to section 4692(g) of the Internal Revenue Code
 3 of 1986 (as added by section 3), the carbon fee has
 4 been reduced to zero for calendar year 2022, there
 5 is appropriated to carry out this section, out of any
 6 funds in the Treasury not otherwise appropriated,
 7 \$7,500,000,000 for fiscal year 2023, to remain
 8 available until expended.

9 **SEC. 3. CARBON FEE.**

10 Chapter 38 of subtitle D of the Internal Revenue
 11 Code of 1986 is amended by adding at the end the fol-
 12 lowing new subchapter:

13 **“Subchapter E—Carbon Fee**

 “Sec. 4691. Definitions.

 “Sec. 4692. Carbon fee.

 “Sec. 4693. Fee on noncovered fuel emissions.

 “Sec. 4694. Refunds for carbon capture, sequestration, and utilization.

 “Sec. 4695. Border adjustments.

14 **“SEC. 4691. DEFINITIONS.**

15 “For purposes of this subchapter—

16 “(1) ADMINISTRATOR.—The term ‘Adminis-
 17 trator’ means the Administrator of the Environ-
 18 mental Protection Agency.

19 “(2) CARBON DIOXIDE EQUIVALENT OR CO₂-
 20 E.—The term ‘carbon dioxide equivalent’ or ‘CO₂-e’
 21 means the number of metric tons of carbon dioxide
 22 emissions with the same global warming potential

1 over a 100-year period as one metric ton of another
2 greenhouse gas.

3 “(3) CARBON-INTENSIVE PRODUCT.—The term
4 ‘carbon-intensive product’ means—

5 “(A) iron, steel, steel mill products (includ-
6 ing pipe and tube), aluminum, cement, glass
7 (including flat, container, and specialty glass
8 and fiberglass), pulp, paper, chemicals, or in-
9 dustrial ceramics, and

10 “(B) any manufactured product which the
11 Secretary, in consultation with the Adminis-
12 trator, the Secretary of Commerce, and the Sec-
13 retary of Energy, determines is energy-intensive
14 and trade-exposed (with the exception of any
15 covered fuel).

16 “(4) COVERED ENTITY.—The term ‘covered en-
17 tity’ means—

18 “(A) in the case of crude oil—

19 “(i) any operator of a United States
20 refinery (as described in subsection (d)(1)
21 of section 4611), and

22 “(ii) any person entering such product
23 into the United States for consumption,
24 use, or warehousing (as described in sub-
25 section (d)(2) of such section),

1 “(B) in the case of coal—

2 “(i) any producer subject to the tax
3 under section 4121, and

4 “(ii) any importer of coal into the
5 United States,

6 “(C) in the case of natural gas—

7 “(i) any entity which produces natural
8 gas (as defined in section 613A(e)(2))
9 from a well located in the United States,
10 and

11 “(ii) any importer of natural gas into
12 the United States,

13 “(D) in the case of any noncovered fuel
14 emissions, the entity which is the source of such
15 emissions, provided that the total amount of
16 carbon dioxide or methane emitted by such enti-
17 ty for the preceding year (as determined using
18 the methodology required under section
19 4692(e)(4)) was not less than 25,000 metric
20 tons, and

21 “(E) any entity or class of entities which,
22 as determined by the Secretary, is transporting,
23 selling, or otherwise using a covered fuel in a
24 manner which emits a greenhouse gas into the
25 atmosphere and which has not been covered by

1 the carbon fee, the fee on noncovered fuel emis-
2 sions, or the carbon border fee adjustment.

3 “(5) COVERED FUEL.—The term ‘covered fuel’
4 means crude oil, natural gas, coal, or any other
5 product derived from crude oil, natural gas, or coal
6 which shall be used so as to emit greenhouse gases
7 to the atmosphere.

8 “(6) GREENHOUSE GAS.—The term ‘greenhouse
9 gas’—

10 “(A) has the meaning given such term in
11 section 901 of the Energy Independence and
12 Security Act of 2007 (42 U.S.C. 17321), and

13 “(B) includes any other gases identified by
14 rule of the Administrator.

15 “(7) GREENHOUSE GAS CONTENT.—The term
16 ‘greenhouse gas content’ means the amount of
17 greenhouse gases, expressed in metric tons of CO₂-
18 e, which would be emitted to the atmosphere by the
19 use of a covered fuel.

20 “(8) NONCOVERED FUEL EMISSION.—The term
21 ‘noncovered fuel emission’ means any carbon dioxide
22 or methane emitted as a result of the production,
23 processing, transport, or use of any product or mate-
24 rial within the energy or industrial sectors—

1 “(A) including any fugitive or process
2 emissions associated with the production, proc-
3 essing, or transport of a covered fuel, and

4 “(B) excluding any emissions from the
5 combustion or use of a covered fuel.

6 “(9) QUALIFIED CARBON OXIDE.—The term
7 ‘qualified carbon oxide’ has the meaning given the
8 term in section 45Q(c).

9 “(10) UNITED STATES.—The term ‘United
10 States’ shall be treated as including each possession
11 of the United States (including the Commonwealth
12 of Puerto Rico and the Commonwealth of the North-
13 ern Mariana Islands).

14 **“SEC. 4692. CARBON FEE.**

15 “(a) DEFINITIONS.—In this section:

16 “(1) APPLICABLE PERIOD.—Subject to sub-
17 section (g), the term ‘applicable period’ means, with
18 respect to any determination made by the Secretary
19 under subsection (e)(3) for any calendar year, the
20 period—

21 “(A) beginning on January 1, 2022, and

22 “(B) ending on December 31 of the pre-
23 ceding calendar year.

24 “(2) CUMULATIVE EMISSIONS.—The term ‘cu-
25 mulative emissions’ means an amount equal to the

1 sum of any greenhouse gas emissions resulting from
2 the use of covered fuels and any noncovered fuel
3 emissions for all years during the applicable period.

4 “(3) CUMULATIVE EMISSIONS TARGET.—The
5 term ‘cumulative emissions target’ means an amount
6 equal to the sum of the emissions targets for all
7 years during the applicable period.

8 “(4) EMISSIONS TARGET.—The term ‘emissions
9 target’ means the target for greenhouse gas emis-
10 sions during a calendar year as determined under
11 subsection (e)(1).

12 “(b) CARBON FEE.—Subject to subsection (g), dur-
13 ing any calendar year that begins after December 31,
14 2021, there is imposed a carbon fee on any covered enti-
15 ty’s use, sale, or transfer of any covered fuel.

16 “(c) AMOUNT OF THE CARBON FEE.—The carbon fee
17 imposed by this section is an amount equal to—

18 “(1) the greenhouse gas content of the covered
19 fuel, multiplied by

20 “(2) the carbon fee rate, as determined under
21 subsection (d).

22 “(d) CARBON FEE RATE.—The carbon fee rate shall
23 be determined in accordance with the following:

1 “(1) IN GENERAL.—The carbon fee rate, with
2 respect to any use, sale, or transfer during a cal-
3 endar year, shall be—

4 “(A) in the case of calendar year 2022,
5 \$25, and

6 “(B) except as provided in paragraphs (2)
7 and (3), in the case of any calendar year after
8 2022, the amount equal to the sum of—

9 “(i) the amount under subparagraph
10 (A), plus

11 “(ii)(I) in the case of calendar year
12 2023, \$10, and

13 “(II) in the case of any calendar year
14 after 2023, the amount in effect under this
15 clause for the preceding calendar year, plus
16 \$10.

17 “(2) INFLATION ADJUSTMENT.—

18 “(A) IN GENERAL.—In the case of any cal-
19 endar year after 2022, the amount determined
20 under paragraph (1)(B) shall be increased by
21 an amount equal to—

22 “(i) that dollar amount, multiplied by

23 “(ii) the cost-of-living adjustment de-
24 termined under section 1(f)(3) for that cal-
25 endar year, determined by substituting

1 ‘2021’ for ‘2016’ in subparagraph (A)(ii)
2 thereof.

3 “(B) ROUNDING.—If any increase deter-
4 mined subparagraph (A) is not a multiple of
5 \$1, such increase shall be rounded up to the
6 next whole dollar amount.

7 “(3) ADJUSTMENT OF CARBON FEE RATE.—

8 “(A) INCREASE IN RATE FOLLOWING
9 MISSED CUMULATIVE EMISSIONS TARGET.—In
10 the case of any calendar year following a deter-
11 mination by the Secretary pursuant to sub-
12 section (e)(3) that the cumulative emissions for
13 the preceding calendar year exceeded the cumu-
14 lative emissions target for such year, paragraph
15 (1)(B)(ii)(II) shall be applied—

16 “(i) in the case of calendar years
17 2025 through 2030, by substituting ‘\$15’
18 for ‘\$10’,

19 “(ii) in the case of calendar years
20 2031 through 2040, by substituting ‘\$20’
21 for ‘\$10’, and

22 “(iii) in the case of any calendar year
23 beginning after 2040, by substituting ‘\$25’
24 for ‘\$10’.

1 “(B) CESSATION OF RATE INCREASE FOL-
 2 LOWING ACHIEVEMENT OF CUMULATIVE EMIS-
 3 SIONS TARGET.—In the case of any year fol-
 4 lowing a determination by the Secretary pursu-
 5 ant to subsection (e)(3) that—

6 “(i) the average annual emissions of
 7 greenhouse gases from covered entities
 8 over the preceding 3-year period are not
 9 more than 10 percent of the greenhouse
 10 gas emissions during the year 2018, and

11 “(ii) the cumulative emissions did not
 12 exceed the cumulative emissions target,
 13 paragraph (1)(B)(ii)(II) shall be applied by
 14 substituting ‘\$0’ for ‘\$10’.

15 “(C) METHODOLOGY.—With respect to
 16 any year, the annual greenhouse gas emissions
 17 and cumulative emissions described in subpara-
 18 graph (A) or (B) shall be determined using the
 19 methodology required under subsection (e)(4).

20 “(e) EMISSIONS TARGETS.—

21 “(1) IN GENERAL.—

22 “(A) REFERENCE YEAR.—For purposes of
 23 subsection (d), the emissions target for any
 24 year shall be the amount of greenhouse gas
 25 emissions that is equal to—

1 “(i) for calendar years 2022 and
2 2023, the applicable percentage of the total
3 amount of greenhouse gas emissions from
4 the use of any covered fuel during calendar
5 year 2018, and

6 “(ii) for calendar year 2024 and each
7 calendar year thereafter, the applicable
8 percentage of the total amount of green-
9 house gas emissions from the use of any
10 covered fuel and noncovered fuel emissions
11 during calendar year 2018.

12 “(B) METHODOLOGY.—For purposes of
13 subparagraph (A), with respect to determining
14 the total amount of greenhouse gas emissions
15 from the use of any covered fuel and non-
16 covered fuel emissions during calendar year
17 2018, the Administrator shall use such methods
18 as are determined appropriate, provided that
19 such methods are, to the greatest extent prac-
20 ticable, comparable to the methods established
21 under paragraph (4).

22 “(2) APPLICABLE PERCENTAGE.—

23 “(A) 2022 THROUGH 2035.—In the case of
24 calendar years 2022 through 2035, the applica-
25 ble percentage shall be determined as follows:

“Year	Applicable percentage
2022	85 percent
2023	79 percent
2024	74 percent
2025	69 percent
2026	66 percent
2027	62 percent
2028	59 percent
2029	56 percent
2030	53 percent
2031	50 percent
2032	47 percent
2033	44 percent
2034	42 percent
2035	40 percent

1 “(B) 2036 THROUGH 2050.—In the case of
2 calendar years 2036 through 2050, the applica-
3 ble percentage shall be equal to—

4 “(i) the applicable percentage for the
5 preceding year, minus

6 “(ii) 2 percentage points.

7 “(C) AFTER 2050.—In the case of any cal-
8 endar year beginning after 2050, the applicable
9 percentage shall be equal to 10 percent.

10 “(3) EMISSIONS REPORTING AND DETERMINA-
11 TIONS.—

12 “(A) REPORTING.—Not later than Sep-
13 tember 30, 2023, and annually thereafter, the
14 Administrator, in consultation with the Sec-
15 retary, shall make available to the public a re-
16 port on—

17 “(i) the cumulative emissions with re-
18 spect to the preceding calendar year, and

1 “(ii) any other relevant information,
 2 as determined appropriate by the Adminis-
 3 trator.

4 “(B) DETERMINATIONS.—Not later than
 5 September 30, 2024, and annually thereafter,
 6 the Administrator, in consultation with the Sec-
 7 retary and as part of the report described in
 8 subparagraph (A), shall determine whether cu-
 9 mulative emissions with respect to the pre-
 10 ceding calendar year exceeded the cumulative
 11 emissions target with respect to such year.

12 “(4) EMISSIONS ACCOUNTING METHOD-
 13 OLOGY.—

14 “(A) IN GENERAL.—Not later than Janu-
 15 ary 1, 2022, the Administrator shall prescribe
 16 rules for greenhouse gas accounting for covered
 17 entities for purposes of this subchapter, which
 18 shall—

19 “(i) to the greatest extent practicable,
 20 employ existing data collection methodolo-
 21 gies and greenhouse gas accounting prac-
 22 tices,

23 “(ii) ensure that the method of ac-
 24 counting—

25 “(I) applies to—

1 “(aa) all greenhouse gas
 2 emissions from covered fuels and
 3 all noncovered fuel emissions,
 4 and

5 “(bb) all covered entities,
 6 “(II) excludes—

7 “(aa) any greenhouse gas
 8 emissions which are not described
 9 item (aa) of subclause (I), and

10 “(bb) any entities which are
 11 not described in item (bb) of
 12 such subclause, and

13 “(III) appropriately accounts
 14 for—

15 “(aa) qualified carbon oxide
 16 which is captured and disposed
 17 or used in a manner described in
 18 section 4694, and

19 “(bb) nonemitting uses of
 20 covered fuels, as described in
 21 subsection (f),

22 “(iii) subject to such penalties as are
 23 determined appropriate by the Adminis-
 24 trator, require any covered entity to report,

not later than April 1 of each calendar year—

“(I) the total greenhouse gas content of any covered fuels used, sold, or transferred by such covered entity during the preceding calendar year, and

“(II) the total noncovered fuel emissions of the covered entity during the preceding calendar year, and

“(iv) require any information reported pursuant to clause (iii) to be verified by a third-party entity that, subject to such process as is determined appropriate by the Administrator, has been certified by the Administrator with respect to the qualifications, independence, and reliability of such entity.

“(B) GREENHOUSE GAS REPORTING PROGRAM.—For purposes of establishing the rules described in subparagraph (A), the Administrator may elect to modify the activities of the Greenhouse Gas Reporting Program to satisfy the requirements described in clauses (i) through (iv) of such subparagraph.

1 “(5) REVISIONS.—With respect to any deter-
2 mination made by the Administrator as to the
3 amount of greenhouse gas emissions for any cal-
4 endar year (including calendar year 2018), any sub-
5 sequent revision by the Administrator with respect
6 to such amount shall apply for purposes of the fee
7 imposed under subsection (b) for any calendar years
8 beginning after such revision.

9 “(f) EXEMPTION AND REFUND.—The Secretary shall
10 prescribe such rules as are necessary to ensure the carbon
11 fee imposed by this section is not imposed with respect
12 to any nonemitting use, or any sale or transfer for a non-
13 emitting use, including rules providing for the refund of
14 any carbon fee paid under this section with respect to any
15 such use, sale, or transfer.

16 “(g) DELAYED APPLICATION OF CARBON FEE FOR
17 2022.—

18 “(1) FIRST QUARTER OF 2022.—Not later than
19 November 1, 2021, the Secretary shall determine
20 whether the requirement described in paragraph (3)
21 has been satisfied, and if such requirement has not
22 been satisfied, the carbon fee imposed by this section
23 shall be reduced to zero for the first calendar quar-
24 ter of 2022.

1 “(2) REMAINING QUARTERS OF 2022.—If, pur-
 2 suant to paragraph (1), the carbon fee imposed by
 3 this section has been reduced to zero for the first
 4 calendar quarter of 2022, the Secretary shall, not
 5 later than February 1, 2022, determine whether the
 6 requirement described in paragraph (3) has been
 7 satisfied, and if such requirement has not been satis-
 8 fied—

9 “(A) the carbon fee imposed by this section
 10 shall be reduced to zero for the second, third,
 11 and fourth calendar quarters of 2022, and

12 “(B) subsection (a)(1)(A) shall be applied
 13 by substituting ‘January 1, 2023’ for ‘January
 14 1, 2022’.

15 “(3) UNEMPLOYMENT RATE REQUIREMENT.—
 16 The requirement described in this paragraph is that
 17 the unemployment rate for each census division, as
 18 determined by the Secretary, in coordination with
 19 the Bureau of Labor Statistics of the Department of
 20 Labor, based upon the most recently completed cal-
 21 endar quarter for which such information is avail-
 22 able, is less than 5 percent.

23 “(h) ADMINISTRATIVE AUTHORITY.—The Secretary,
 24 in consultation with the Administrator, shall prescribe

1 such regulations, and other guidance, to assess and collect
 2 the carbon fee imposed by this section, including—

3 “(1) the identification of covered entities that
 4 are liable for payment of a fee under this section or
 5 section 4693,

6 “(2) as may be necessary or convenient, rules
 7 for distinguishing between different types of covered
 8 entities,

9 “(3) as may be necessary or convenient, rules
 10 for distinguishing between the greenhouse gas emis-
 11 sions of a covered entity and the greenhouse gas
 12 emissions that are attributed to the covered entity
 13 but not directly emitted by the covered entity,

14 “(4) requirements for the quarterly payment of
 15 such fees, and

16 “(5) rules to ensure that the carbon fee under
 17 this section, the fee on noncovered fuel emissions
 18 under section 4693, or the carbon border fee adjust-
 19 ment is not imposed on an emission from covered
 20 fuel or noncovered fuel emission more than once.

21 **“SEC. 4693. FEE ON NONCOVERED FUEL EMISSIONS.**

22 “(a) IN GENERAL.—During any calendar year that
 23 begins after December 31, 2023, there is imposed a fee
 24 on a covered entity for any noncovered fuel emissions
 25 which occur during the calendar year.

1 “(b) AMOUNT.—The fee to be paid under subsection
 2 (a) by the covered entity which is the source of the emis-
 3 sions described in that subsection shall be an amount
 4 equal to—

5 “(1) the total amount, in metric tons of CO₂-
 6 e, of emitted greenhouse gases, multiplied by

7 “(2) an amount equal to the carbon fee rate in
 8 effect under section 4692(d) for the calendar year of
 9 such emission.

10 “(c) ADMINISTRATIVE AUTHORITY.—The Secretary,
 11 in consultation with the Administrator, shall prescribe
 12 such regulations, and other guidance, to assess and collect
 13 the carbon fee imposed by this section, including regula-
 14 tions describing the requirements for the quarterly pay-
 15 ment of such fees.

16 **“SEC. 4694. REFUNDS FOR CARBON CAPTURE, SEQUESTRA-**
 17 **TION, AND UTILIZATION.**

18 “(a) IN GENERAL.—

19 “(1) CAPTURE, SEQUESTRATION, AND USE.—

20 The Secretary, in consultation with the Adminis-
 21 trator and the Secretary of Energy, shall prescribe
 22 regulations for providing payments to any person
 23 which captures qualified carbon oxide which is—

1 “(A) disposed of by such person in secure
 2 geological storage, as described in section
 3 45Q(f)(2), or

4 “(B) used in a manner which has been ap-
 5 proved by the Secretary pursuant to subsection
 6 (c).

7 “(2) ELECTION.—If the person described in
 8 paragraph (1) makes an election under this para-
 9 graph in such time and manner as the Secretary
 10 may prescribe by regulations, the credit under this
 11 section—

12 “(A) shall be allowable to the person that
 13 owns the facility described in subsection (b)(1),
 14 and

15 “(B) shall not be allowable to the person
 16 described in paragraph (1).

17 “(b) PAYMENTS FOR CARBON CAPTURE.—

18 “(1) IN GENERAL.—In the case of any facility
 19 for which carbon capture equipment has been placed
 20 in service, the Secretary shall make payments in the
 21 same manner as if such payment was a refund of an
 22 overpayment of the fee imposed by section 4692 or
 23 4693.

1 “(2) AMOUNT OF PAYMENT.—The payment de-
 2 termined under this subsection shall be an amount
 3 equal to—

4 “(A) the metric tons of qualified carbon
 5 oxide captured and disposed of, used, or utilized
 6 in a manner consistent with subsection (a),
 7 multiplied by

8 “(B)(i) the carbon fee rate during the year
 9 in which the carbon fee was imposed by section
 10 4692 on the covered fuel to which such carbon
 11 oxide relates, or

12 “(ii) in the case of a direct air capture fa-
 13 cility (as defined in section 45Q(e)(1)), the car-
 14 bon fee rate during the year in which the quali-
 15 fied carbon oxide was captured and disposed of,
 16 used, or utilized.

17 “(c) APPROVED USES OF QUALIFIED CARBON
 18 OXIDE.—The Secretary, in consultation with Adminis-
 19 trator and the Secretary of Energy, shall, through regula-
 20 tion or other public guidance, determine which uses of
 21 qualified carbon oxide are eligible for payments under this
 22 section, which may include—

23 “(1) use as a tertiary injectant in a qualified
 24 enhanced oil or natural gas recovery project (as de-

1 fined in subsection (e)(2) of section 45Q) and dis-
 2 posal in secure geological storage,

3 “(2) utilization in a manner described in clause
 4 (i) or (ii) of section 45Q(f)(5)(A), or

5 “(3) any other use which ensures minimal leak-
 6 age or escape of such carbon oxide.

7 “(d) EXCEPTION.—In the case of any facility which
 8 is owned by an entity that is determined to be in violation
 9 of any applicable air or water quality regulations, such fa-
 10 cility shall not be eligible for any payment under this sec-
 11 tion during the period of such violation.

12 **“SEC. 4695. BORDER ADJUSTMENTS.**

13 “(a) IN GENERAL.—The fees imposed by, and re-
 14 funds allowed under, this section shall be referred to as
 15 ‘the carbon border fee adjustment’.

16 “(b) EXPORTS.—

17 “(1) CARBON-INTENSIVE PRODUCTS.—In the
 18 case of any carbon-intensive product which is ex-
 19 ported from the United States, the Secretary shall
 20 pay to the person exporting such product a refund
 21 equal to the amount of the cost of such product at-
 22 tributable to any fees imposed under this subchapter
 23 related to the manufacturing of such product (as de-
 24 termined under regulations established by the Sec-
 25 retary).

1 “(2) COVERED FUELS.—In the case of any cov-
 2 ered fuel which is exported from the United States,
 3 the Secretary shall pay to the person exporting such
 4 fuel a refund equal to the amount of the cost of such
 5 fuel attributable to any fees imposed under this sub-
 6 chapter related to the use, sale, or transfer of such
 7 fuel.

8 “(c) IMPORTS.—

9 “(1) CARBON-INTENSIVE PRODUCTS.—

10 “(A) IMPOSITION OF EQUIVALENCY FEE.—

11 In the case of any carbon-intensive product im-
 12 ported into the United States, there is imposed
 13 an equivalency fee on the person importing such
 14 product in an amount equal to the cost of such
 15 product that would be attributable to any fees
 16 imposed under this subchapter related to the
 17 manufacturing of such product if any inputs or
 18 processes used in manufacturing such product
 19 were subject to such fees (as determined under
 20 regulations established by the Secretary).

21 “(B) REDUCTION IN FEE.—The amount of
 22 the equivalency fee under subparagraph (A)
 23 shall be reduced by the amount, if any, of any
 24 fees imposed on the carbon-intensive product by

1 the foreign nation or governmental units from
2 which such product was imported.

3 “(2) COVERED FUELS.—

4 “(A) IN GENERAL.—In the case of any
5 covered fuel imported into the United States,
6 there is imposed a fee on the person importing
7 such fuel in an amount equal to the amount of
8 any fees that would be imposed under this sub-
9 chapter related to the use, sale, or transfer of
10 such fuel.

11 “(B) REDUCTION IN FEE.—The amount of
12 the fee under subparagraph (A) shall be re-
13 duced by the amount, if any, of any fees im-
14 posed on the covered fuel by the foreign nation
15 or governmental units from which the fuel was
16 imported.

17 “(d) TREATMENT OF ALTERNATIVE POLICIES AS
18 FEES.—Under regulations established by the Secretary,
19 foreign policies that have substantially the same effect in
20 reducing emissions of greenhouse gases as fees shall be
21 treated as fees for purposes of subsections (b) and (c).

22 “(e) REGULATORY AUTHORITY.—

23 “(1) IN GENERAL.—The Secretary shall consult
24 with the Administrator, the Secretary of Commerce,
25 and the Secretary of Energy in establishing rules

1 and regulations implementing the purposes of this
2 section.

3 “(2) TREATIES.—The Secretary, in consulta-
4 tion with the Secretary of State, may adjust the ap-
5 plicable amounts of the refunds and equivalency fees
6 under this section in a manner that is consistent
7 with any obligations of the United States under an
8 international agreement.”.

9 **SEC. 4. AMERICA’S CLEAN FUTURE FUND.**

10 (a) IN GENERAL.—Subchapter A of chapter 98 of the
11 Internal Revenue Code of 1986 is amended by adding at
12 the end the following:

13 **“SEC. 9512. AMERICA’S CLEAN FUTURE FUND.**

14 “(a) ESTABLISHMENT AND FUNDING.—There is es-
15 tablished in the Treasury of the United States a trust fund
16 to be known as the ‘America’s Clean Future Fund’ (re-
17 ferred to in this section as the ‘Trust Fund’), consisting
18 of such amounts as are appropriated to the Trust Fund
19 under subsection (b).

20 “(b) TRANSFERS TO AMERICA’S CLEAN FUTURE
21 FUND.—There is appropriated to the Trust Fund, out of
22 any funds in the Treasury not otherwise appropriated,
23 amounts equal to the fees received into the Treasury
24 under sections 4692, 4693, and 4695, less—

1 “(1) any amounts refunded or paid under sec-
2 tions 4692(d), 4694, and 4695(b), and

3 “(2) for each of the first 18 fiscal years begin-
4 ning after September 30, 2022, an amount equal to
5 the quotient of—

6 “(A) \$100,000,000,000, and

7 “(B) 18.

8 “(c) EXPENDITURES.—For each fiscal year, amounts
9 in the Trust Fund shall be apportioned as follows:

10 “(1) CARBON FEE REBATE AND PAYMENTS FOR
11 CARBON REDUCTION AND SEQUESTRATION.—

12 “(A) CARBON FEE REBATE.—For the pur-
13 poses described in section 5 of the America’s
14 Clean Future Fund Act and any expenses nec-
15 essary to administer such section—

16 “(i) for each of the first 10 fiscal
17 years beginning after September 30, 2022,
18 an amount equal to—

19 “(I) 75 percent of those amounts,
20 minus

21 “(II) the amount determined
22 under subparagraph (B) for such fis-
23 cal year, and

1 “(ii) for any fiscal year beginning
 2 after the period described in clause (i), the
 3 applicable percentage of such amounts.

4 “(B) PAYMENTS FOR CARBON REDUCTION
 5 AND SEQUESTRATION.—For the purposes de-
 6 scribed in section 6 of the America’s Clean Fu-
 7 ture Fund Act, for each of the first 10 fiscal
 8 years beginning after September 30, 2022, an
 9 amount equal to 7 percent of the amount deter-
 10 mined annually under subparagraph (A)(i)(I).

11 “(C) APPLICABLE PERCENTAGE.—For
 12 purposes of subparagraph (A)(ii), the applicable
 13 percentage shall be equal to—

14 “(i) for the first fiscal year beginning
 15 after the period described in subparagraph
 16 (A)(i), 76 percent,

17 “(ii) for each of the first 3 fiscal years
 18 subsequent to the period described in
 19 clause (i), the applicable percentage for the
 20 preceding fiscal year increased by 1 per-
 21 centage point, and

22 “(iii) for any fiscal year subsequent to
 23 the period described in clause (ii), 80 per-
 24 cent.

1 “(2) CLIMATE CHANGE FINANCE CORPORA-
2 TION.—

3 “(A) IN GENERAL.—For the purposes de-
4 scribed in section 2 of the America’s Clean Fu-
5 ture Fund Act, the applicable percentage of
6 such amounts.

7 “(B) APPLICABLE PERCENTAGE.—For
8 purposes of this paragraph, the applicable per-
9 centage shall be equal to—

10 “(i) for each of the first 10 fiscal
11 years beginning after the period described
12 in subsection (e) of such section, 15 per-
13 cent,

14 “(ii) for each of the first 4 fiscal years
15 subsequent to the period described in
16 clause (i), the applicable percentage for the
17 preceding fiscal year increased by 1 per-
18 centage point, and

19 “(iii) for any fiscal year subsequent to
20 the period described in clause (ii), 20 per-
21 cent.

22 “(3) TRANSITION ASSISTANCE FOR IMPACTED
23 COMMUNITIES.—

24 “(A) IN GENERAL.—For the purposes de-
25 scribed in section 7 of the America’s Clean Fu-

1 ture Fund Act, the applicable percentage of
2 such amounts.

3 “(B) APPLICABLE PERCENTAGE.—For
4 purposes of this paragraph, the applicable per-
5 centage shall be equal to—

6 “(i) for each of the first 10 fiscal
7 years beginning after September 30, 2022,
8 10 percent,

9 “(ii) for each of the first 4 fiscal years
10 subsequent to the period described in
11 clause (i), the applicable percentage for the
12 preceding fiscal year reduced by 2 percent-
13 age points, and

14 “(iii) for any fiscal year subsequent to
15 the period described in clause (ii), 0 per-
16 cent.

17 “(d) ADJUSTMENT.—If, pursuant to section 4692(g),
18 the carbon fee has been reduced to zero for calendar year
19 2022—

20 “(1) subsection (b)(2) and paragraphs
21 (1)(A)(i), (1)(B), and (3)(B)(i) of subsection (c)
22 shall each be applied by substituting ‘September 30,
23 2023’ for ‘September 30, 2022’, and

1 “(2) subsection (b)(2)(A) shall be applied by
 2 substituting ‘\$150,000,000,000’ for
 3 ‘\$100,000,000,000’.”.

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

“Sec. 9512. America’s Clean Future Fund.”.

8 **SEC. 5. AMERICA’S CLEAN FUTURE FUND STIMULUS.**

9 (a) ELIGIBLE INDIVIDUAL.—

10 (1) IN GENERAL.—In this section, the term “el-
 11 igible individual” means, with respect to any quar-
 12 ter, any natural living person—

13 (A) who has a valid Social Security num-
 14 ber or taxpayer identification number,

15 (B) who has attained 18 years of age, and

16 (C) whose principal place of abode is in the
 17 United States for more than one-half of the
 18 most recent taxable year for which a return has
 19 been filed.

20 (2) VERIFICATION.—The Secretary of the
 21 Treasury, or the Secretary’s delegate (referred to in
 22 this section as the “Secretary”) may verify the eligi-
 23 bility of an individual to receive a carbon fee rebate
 24 payment under subsection (b).

1 (b) REBATES.—Subject to subsections (c)(2) and (l),
 2 from amounts in the America’s Clean Future Fund estab-
 3 lished by section 9512(c)(1)(A) of the Internal Revenue
 4 Code of 1986 that are available in any year, the Secretary
 5 shall, for each calendar quarter beginning after September
 6 30, 2022, make carbon fee rebate payments to each eligi-
 7 ble individual, to be known as “America’s Clean Future
 8 Fund Stimulus payments” (referred to in this section as
 9 “carbon fee rebate payments”).

10 (c) PRO-RATA SHARE.—

11 (1) IN GENERAL.—With respect to each quarter
 12 during any fiscal year beginning after September 30,
 13 2022, the carbon fee rebate payment is 1 pro-rata
 14 share for each eligible individual of an amount equal
 15 to 25 percent of amounts apportioned under section
 16 9512(c)(1)(A) of the Internal Revenue Code of 1986
 17 for such fiscal year.

18 (2) INITIAL ANNUAL REBATE PAYMENTS.—

19 (A) IN GENERAL.—From amounts appro-
 20 priated under subsection (j), the Secretary
 21 shall, for each of fiscal years 2021 and 2022,
 22 make carbon fee rebate payments to each eligi-
 23 ble individual during the third quarter of each
 24 such fiscal year.

1 (B) PRO-RATA SHARE.—For purposes of
 2 this paragraph, the carbon fee rebate payment
 3 is 1 pro-rata share for each eligible individual
 4 of the amount appropriated under subsection (j)
 5 for the fiscal year.

6 (3) ESTIMATE.—For each fiscal year described
 7 in paragraph (1), the Secretary shall, not later than
 8 the first day of such fiscal year, publicly announce
 9 an estimate of the amount of the carbon fee rebate
 10 payment for each quarter during such fiscal year.

11 (d) PHASEOUT.—

12 (1) DEFINITIONS.—In this subsection:

13 (A) MODIFIED ADJUSTED GROSS IN-
 14 COME.—The term “modified adjusted gross in-
 15 come” means adjusted gross income increased
 16 by any amount excluded from gross income
 17 under section 911, 931, or 933 of the Internal
 18 Revenue Code of 1986.

19 (B) HOUSEHOLD MEMBER.—The term
 20 “household member of the taxpayer” means the
 21 taxpayer, the taxpayer’s spouse, and any de-
 22 pendent of the taxpayer.

23 (C) THRESHOLD AMOUNT.—The term
 24 “threshold amount” means—

1 (i) \$150,000 in the case of a taxpayer
2 filing a joint return, and

3 (ii) \$75,000 in the case of a taxpayer
4 not filing a joint return.

5 (2) PHASEOUT OF PAYMENTS.—In the case of
6 any taxpayer whose modified adjusted gross income
7 for the most recent taxable year for which a return
8 has been filed exceeds the threshold amount, the
9 amount of the carbon fee rebate payment otherwise
10 payable to any household member of the taxpayer
11 under this section shall be reduced (but not below
12 zero) by a dollar amount equal to 5 percent of such
13 payment (as determined before application of this
14 paragraph) for each \$1,000 (or fraction thereof) by
15 which the modified adjusted gross income of the tax-
16 payer exceeds the threshold amount.

17 (e) FEE TREATMENT OF PAYMENTS.—Amounts paid
18 under this section shall not be includible in gross income
19 for purposes of Federal income taxes.

20 (f) FEDERAL PROGRAMS AND FEDERAL ASSISTED
21 PROGRAMS.—The carbon fee rebate payment received by
22 any eligible individual shall not be taken into account as
23 income and shall not be taken into account as resources
24 for purposes of determining the eligibility of such indi-
25 vidual or any other individual for benefits or assistance,

1 or the amount or extent of benefits or assistance, under
 2 any Federal program or under any State or local program
 3 financed in whole or in part with Federal funds.

4 (g) DISCLOSURE OF RETURN INFORMATION.—Sec-
 5 tion 6103(l) of the Internal Revenue Code of 1986 is
 6 amended by adding at the end the following new para-
 7 graph:

8 “(23) DISCLOSURE OF RETURN INFORMATION
 9 RELATING TO CARBON FEE REBATE PAYMENTS.—

10 “(A) DEPARTMENT OF TREASURY.—Re-
 11 turn information with respect to any taxpayer
 12 shall, without written request, be open to in-
 13 spection by or disclosure to officers and employ-
 14 ees of the Department of the Treasury whose
 15 official duties require such inspection or disclo-
 16 sure for purposes of administering section 5 of
 17 the America’s Clean Future Fund Act.

18 “(B) RESTRICTION ON DISCLOSURE.—In-
 19 formation disclosed under this paragraph shall
 20 be disclosed only for purposes of, and to the ex-
 21 tent necessary in, carrying out such section.”.

22 (h) REGULATIONS.—The Secretary shall prescribe
 23 such regulations, and other guidance, as may be necessary
 24 to carry out the purposes of this section, including—

1 (1) establishment of rules for eligible individ-
2 uals who have not filed a recent tax return, and

3 (2) in coordination with the Commissioner of
4 Social Security, the Secretary of Veterans Affairs,
5 and any relevant State agencies, establish methods
6 to identify eligible individuals and provide carbon fee
7 rebate payments to such individuals through appro-
8 priate means of distribution, including through the
9 use of electronic benefit transfer cards.

10 (i) PUBLIC AWARENESS CAMPAIGN.—The Secretary
11 shall conduct a public awareness campaign, in coordina-
12 tion with the Commissioner of Social Security and the
13 heads of other relevant Federal agencies, to provide infor-
14 mation to the public regarding the availability of carbon
15 fee rebate payments under this section.

16 (j) INITIAL APPROPRIATION.—For purposes of sub-
17 section (c)(2), there is appropriated, out of any funds in
18 the Treasury not otherwise appropriated, to remain avail-
19 able until expended—

20 (1) for the fiscal year ending September 30,
21 2021, \$37,500,000,000,

22 (2) for the fiscal year ending September 30,
23 2022, \$37,500,000,000, and

24 (3) if, pursuant to section 4692(g) of the Inter-
25 nal Revenue Code of 1986 (as added by section 3),

1 the carbon fee has been reduced to zero for calendar
 2 year 2022, \$37,500,000 for the fiscal year ending
 3 September 30, 2023.

4 (k) ADJUSTMENT.—If, pursuant to section 4692(g)
 5 of the Internal Revenue Code of 1986, the carbon fee has
 6 been reduced to zero for calendar year 2022—

7 (1) subsections (b) and (c)(1) shall each be ap-
 8 plied by substituting “September 30, 2023” for
 9 “September 30, 2022”, and

10 (2) subsection (c)(2) shall be applied by sub-
 11 stituting “2021, 2022, and 2023” for “2021 and
 12 2022”.

13 (l) TERMINATION.—This section shall not apply to
 14 any calendar quarter beginning after—

15 (1) a determination by the Secretary under sec-
 16 tion 4692(d)(3)(B) of the Internal Revenue Code of
 17 1986; or

18 (2) any period of 8 consecutive calendar quar-
 19 ters for which the amount of carbon fee rebate pay-
 20 ment (without application of subsection (d)) during
 21 each such quarter is less than \$20.

22 **SEC. 6. PAYMENTS FOR CARBON REDUCTION AND SEQUES-**
 23 **TRATION.**

24 (a) IN GENERAL.—The Secretary of Agriculture (re-
 25 ferred to in this section as the “Secretary”), in consulta-

1 tion with the Administrator of the Environmental Protec-
 2 tion Agency, shall provide payments to farmers, ranchers,
 3 private forest landowners, and other agricultural land-
 4 owners in the United States that reduce or sequester
 5 greenhouse gas emissions through the adoption of quali-
 6 fying farming, ranching, and forestry practices described
 7 in subsection (b).

8 (b) QUALIFYING PRACTICES.—

9 (1) IN GENERAL.—For a farming, ranching, or
 10 forestry practice to be eligible for payments under
 11 subsection (a), the Secretary shall determine that
 12 the practice qualifies as measurable, reportable, and
 13 verifiable for reducing or sequestering greenhouse
 14 gas emissions.

15 (2) INCLUDED PRACTICES.—Farming, ranch-
 16 ing, and forestry practices that the Secretary may
 17 determine to be eligible for payments under para-
 18 graph (1) are—

19 (A) conservation enhancements, which may
 20 include—

- 21 (i) improved soil, water, and land
- 22 management;
- 23 (ii) cover crops;
- 24 (iii) prairie, buffer, and edge-of-field
- 25 strips;

- 1 (iv) conservation tillage;
- 2 (v) easements;
- 3 (vi) fertilizer practice improvements;
- 4 (vii) ecologically appropriate reforest-
- 5 ation and other sustainable forestry and
- 6 related stewardship practices;
- 7 (viii) land or soil carbon sequestra-
- 8 tion;
- 9 (ix) avoidance of the conversion of
- 10 grassland, wetland, and forest land; and
- 11 (x) grassland management, including
- 12 prescribed grazing;
- 13 (B) livestock management, which may in-
- 14 clude—
- 15 (i) enteric fermentation reduction; and
- 16 (ii) aerobic digestion or improved ma-
- 17 nure management;
- 18 (C) capital upgrades and infrastructure in-
- 19 vestments to reduce greenhouse gas emissions,
- 20 which may include—
- 21 (i) building and equipment refurbish-
- 22 ment or upgrades;
- 23 (ii) adoption of renewable or clean en-
- 24 ergy and energy efficiency technologies;
- 25 and

1 (iii) avoiding or removing agricultural
2 land from urban or suburban development;
3 and

4 (D) any other practice, as determined by
5 the Secretary, that results in a quantifiable re-
6 duction in or sequestration of greenhouse gas
7 emissions.

8 (c) CONSIDERATIONS.—In determining the amount
9 and duration of a payment under subsection (a), the Sec-
10 retary shall consider—

11 (1) the degree of additionality of the green-
12 house gas reduction or sequestration as a result of
13 the applicable qualifying practice described in sub-
14 section (b), as compared to a historical baseline;

15 (2) whether the recipient of the payment was
16 an early adopter of 1 or more practices that reduce
17 or sequester greenhouse gas emissions; and

18 (3) the degree of transitionality or permanence
19 of the greenhouse gas reduction or sequestration as
20 a result of the applicable qualifying practice de-
21 scribed in subsection (b).

22 (d) MEASUREMENT, REPORTING, MONITORING, AND
23 VERIFICATION.—

24 (1) IN GENERAL.—The Secretary shall approve
25 and provide oversight of 1 or more third-party

1 agents to provide services described in paragraph
2 (2).

3 (2) SERVICES DESCRIBED.—Services referred to
4 in paragraph (1) are determining the reduction or
5 sequestration of greenhouse gas emissions as a re-
6 sult of qualifying practices described in subsection
7 (b) by—

8 (A) measurement;

9 (B) reporting;

10 (C) monitoring;

11 (D) verification; and

12 (E) using methods to account for
13 additionality, as compared to a historical base-
14 line.

15 (3) USE OF PROTOCOLS.—Services referred to
16 in paragraph (1) shall be provided using generally
17 accepted protocols.

18 (4) USE OF DEPARTMENT OF AGRICULTURE
19 RESOURCES.—The Secretary shall require a third-
20 party agent approved under paragraph (1) to use
21 the resources, boards, committees, geospatial data,
22 aerial or other maps, employees, offices, and capac-
23 ities of the Department of Agriculture in providing
24 services under that paragraph.

25 (5) PRIVACY AND DATA SECURITY.—

1 (A) IN GENERAL.—The Secretary shall es-
2 tablish—

3 (i) safeguards to protect the privacy
4 of information that is submitted through
5 or retained by a third-party agent ap-
6 proved under paragraph (1), including em-
7 ployees and contractors of the third-party
8 agent; and

9 (ii) such other rules and standards of
10 data security as the Secretary determines
11 to be appropriate to carry out this section.

12 (B) PENALTIES.—The Secretary shall es-
13 tablish penalties for any violations of privacy or
14 confidentiality under subparagraph (A).

15 (6) DISCLOSURE OF INFORMATION.—

16 (A) PUBLIC DISCLOSURE.—Information
17 collected for purposes of services provided under
18 paragraph (1) may be disclosed to the public or
19 disclosed for purposes of audit, research, or im-
20 provement of the program under this section—

21 (i) if the information is transformed
22 into a statistical or aggregate form such
23 that the information does not include any
24 identifiable or personal information of indi-
25 vidual producers; or

1 (ii) in a form that may include identi-
2 fiable or personal information of a pro-
3 ducer if that producer consents to the dis-
4 closure of the information.

5 (B) REQUIREMENT.—The participation of
6 a producer in, and the receipt of any benefit by
7 the producer under, the program under this
8 section or any other program administered by
9 the Secretary may not be conditioned on the
10 producer providing consent under subparagraph
11 (A)(ii).

12 (e) INELIGIBILITY.—A person that is determined to
13 be in violation of any applicable air quality regulation or
14 the Federal Water Pollution Control Act (33 U.S.C. 1251
15 et seq.) (including regulations) shall not be eligible for any
16 payment under subsection (a) during the period of the vio-
17 lation.

18 (f) REGULATIONS.—Not later than July 1, 2022, the
19 Secretary shall issue regulations to carry out this section,
20 including—

21 (1) the amount of a payment under subsection
22 (a), which shall be based on—

23 (A) the quantity of carbon dioxide equiva-
24 lent emissions reduced or sequestered; and

1 (B) the considerations described in sub-
2 section (c);

3 (2) a methodology that any third-party agents
4 approved under subsection (d)(1) shall use to pro-
5 vide the services under that subsection;

6 (3) a limitation on the total amount of pay-
7 ments that may be made under subsection (a) with
8 respect to a producer; and

9 (4) a requirement for the duration of emissions
10 reduction or sequestration for purposes of eligibility
11 for payments under subsection (a).

12 (g) EFFECTIVENESS.—

13 (1) IN GENERAL.—The authority to provide
14 payments under this section shall be effective for
15 each of the first 10 fiscal years beginning after Sep-
16 tember 30, 2022.

17 (2) ADJUSTMENT.—If, pursuant to section
18 4692(g) of the Internal Revenue Code of 1986 (as
19 added by section 3), the carbon fee has been reduced
20 to zero for calendar year 2022, paragraph (1) shall
21 be applied by substituting “September 30, 2023” for
22 “September 30, 2022”.

1 **SEC. 7. TRANSITION ASSISTANCE FOR IMPACTED COMMU-**
2 **NITIES.**

3 (a) IN GENERAL.—The Secretary of Commerce, act-
4 ing through the Assistant Secretary of Commerce for Eco-
5 nomic Development (referred to in this section as the
6 “Secretary”), in coordination with the Secretary of Labor,
7 shall provide grants to eligible entities for transition as-
8 sistance to a low-carbon economy.

9 (b) ELIGIBLE ENTITIES.—An entity eligible to re-
10 ceive a grant under this section is a labor organization,
11 an institution of higher education (as defined in section
12 101 of the Higher Education Act of 1965 (20 U.S.C.
13 1001)), a unit of State or local government, an economic
14 development organization, a nonprofit organization, com-
15 munity-based organization, or intermediary, or a State
16 board or local board (as those terms are defined in section
17 3 of the Workforce Innovation and Opportunity Act (29
18 U.S.C. 3102)) that serves or is located in a community
19 that—

20 (1) as determined by the Secretary, in coordina-
21 tion with the Secretary of Labor, has been or will be
22 impacted by economic changes in carbon-intensive
23 industries, including job losses;

24 (2) as determined by the Secretary, in consulta-
25 tion with the Administrator of the Federal Emer-
26 gency Management Agency, has been or is at risk of

1 being impacted by extreme weather events, sea level
2 rise, and natural disasters related to climate change;
3 or

4 (3) as determined by the Secretary, in consulta-
5 tion with the Administrator of the Environmental
6 Protection Agency, has been impacted by harmful
7 residuals from a fossil fuel or carbon-intensive in-
8 dustry.

9 (c) USE OF FUNDS.—An eligible entity that receives
10 a grant under this section shall use the grant for—

11 (1) economic and workforce development activi-
12 ties, such as—

13 (A) job creation;

14 (B) providing reemployment and worker
15 transition assistance, including registered ap-
16 prenticeships, subsidized employment, job train-
17 ing, transitional jobs, and supportive services
18 (as defined in section 3 of the Workforce Inno-
19 vation and Opportunity Act (29 U.S.C. 3102)),
20 with priority given to—

21 (i) workers impacted by changes in
22 carbon-intensive industries;

23 (ii) individuals with a barrier to em-
24 ployment (as defined in section 3 of the

1 Workforce Innovation and Opportunity Act
2 (29 U.S.C. 3102)); and

3 (iii) programs that lead to a recog-
4 nized postsecondary credential (as defined
5 in section 3 of the Workforce Innovation
6 and Opportunity Act (29 U.S.C. 3102));

7 (C) local and regional investment, includ-
8 ing commercial and industrial economic diver-
9 sification;

10 (D) export promotion; and

11 (E) establishment of a monthly subsidy
12 payment for workers who retire early due to
13 economic changes in carbon-intensive industries;

14 (2) climate change resiliency, such as—

15 (A) building electrical, communications,
16 utility, transportation, and other infrastructure
17 in flood-prone areas above flood zone levels;

18 (B) building flood and stormproofing
19 measures in flood-prone areas and erosion-
20 prone areas;

21 (C) increasing the resilience of a surface
22 transportation infrastructure asset to withstand
23 extreme weather events and climate change im-
24 pacts;

25 (D) improving stormwater infrastructure;

1 (E) increasing the resilience of agriculture
 2 to extreme weather;

3 (F) ecological restoration;

4 (G) increasing the resilience of forests to
 5 wildfires; and

6 (H) increasing coastal resilience;

7 (3) environmental cleanup from fossil fuel in-
 8 dustry facilities that are abandoned or retired, or
 9 closed due to bankruptcy, and residuals from car-
 10 bon-intensive industries, such as—

11 (A) coal ash and petroleum coke cleanup;

12 (B) mine reclamation; and

13 (C) remediation of impaired waterways and
 14 drinking water resources; or

15 (4) other activities as the Secretary, in coordi-
 16 nation with the Secretary of Labor, the Adminis-
 17 trator of the Federal Emergency Management Agen-
 18 cy, and the Administrator of the Environmental Pro-
 19 tection Agency, determines to be appropriate.

20 (d) REQUIREMENTS.—

21 (1) LABOR STANDARDS; NONDISCRIMINA-
 22 TION.—An eligible entity that receives a grant under
 23 this section shall use the funds in a manner con-
 24 sistent with sections 181 and 188 of the Workforce

1 Innovation and Opportunity Act (29 U.S.C. 3241,
2 3248).

3 (2) WAGE RATE REQUIREMENTS.—All laborers
4 and mechanics employed by eligible entities to carry
5 out projects and activities funded directly by or as-
6 sisted in whole or in part by a grant under this sec-
7 tion shall be paid at wages at rates not less than
8 those prevailing on projects of a similar character in
9 the locality as determined by the Secretary of Labor
10 in accordance with subchapter IV of chapter 31 of
11 title 40, United States Code (commonly known as
12 the “Davis-Bacon Act”).

13 (3) BUY AMERICA REQUIREMENTS.—

14 (A) IN GENERAL.—All iron, steel, and
15 manufactured goods used for projects and ac-
16 tivities carried out with a grant under this sec-
17 tion shall be produced in the United States.

18 (B) WAIVER.—The Secretary may waive
19 the requirement in subparagraph (A) if the Sec-
20 retary finds that—

21 (i) enforcing the requirement would be
22 inconsistent with the public interest;

23 (ii) the iron, steel, and manufactured
24 goods produced in the United States are
25 not produced in a sufficient and reasonably

1 available amount or are not of a satisfac-
2 tory quality; or

3 (iii) enforcing the requirement will in-
4 crease the overall cost of the project or ac-
5 tivity by more than 25 percent.

6 (e) COORDINATION.—An eligible entity that receives
7 a grant under this section is encouraged to collaborate or
8 partner with other eligible entities in carrying out activi-
9 ties with that grant.

10 (f) REPORT.—Not later than 3 years after the date
11 on which the Secretary establishes the grant program
12 under this section, the Secretary and the Secretary of
13 Labor shall submit to Congress a report on the effective-
14 ness of the grant program, including—

15 (1) the number of individuals that have received
16 reemployment or worker transition assistance under
17 this section;

18 (2) a description of any job creation activities
19 carried out with a grant under this section and the
20 number of jobs created from those activities;

21 (3) the percentage of individuals that have re-
22 ceived reemployment or worker transition assistance
23 under this section who are, during the second and
24 fourth quarters after exiting the program—

25 (A) in education or training activities; or

1 (B) employed;

2 (4) the average wages of individuals that have
3 received reemployment or worker transition assist-
4 ance under this section during the second and fourth
5 quarters after exit from the program;

6 (5) a description of any regional investment ac-
7 tivities carried out with a grant under this section;

8 (6) a description of any export promotion activi-
9 ties carried out with a grant under this section, in-
10 cluding—

11 (A) a description of the products pro-
12 moted; and

13 (B) an analysis of any increase in exports
14 as a result of the promotion;

15 (7) a description of any resilience activities car-
16 ried out with a grant under this section; and

17 (8) a description of any cleanup activities from
18 fossil fuel industry facilities or carbon-intensive in-
19 dustries carried out with a grant under this section.

20 (g) FUNDING.—

21 (1) INITIAL FUNDING.—

22 (A) IN GENERAL.—There is appropriated
23 to the Secretary, out of any funds in the Treas-
24 ury not otherwise appropriated, \$5,000,000,000
25 for each of fiscal years 2021 and 2022 to carry

1 out this section, to remain available until ex-
 2 pended.

3 (B) ADDITIONAL FUNDING.—If, pursuant
 4 to section 4692(g) of the Internal Revenue
 5 Code of 1986 (as added by section 3), the car-
 6 bon fee has been reduced to zero for calendar
 7 year 2022, there is appropriated to carry out
 8 this section, out of any funds in the Treasury
 9 not otherwise appropriated, \$5,000,000,000 for
 10 fiscal year 2023, to remain available until ex-
 11 pended.

12 (2) AMERICA’S CLEAN FUTURE FUND.—The
 13 Secretary shall carry out this section using amounts
 14 made available from the America’s Clean Future
 15 Fund under section 4.

16 **SEC. 8. STUDY ON CARBON PRICING.**

17 (a) IN GENERAL.—Not later than January 1, 2024,
 18 the Administrator of the Environmental Protection Agen-
 19 cy (referred to in this section as the “Administrator”)
 20 shall seek to enter into an agreement with the National
 21 Academy of Sciences under which the National Academy
 22 of Sciences shall carry out a study not less frequently than
 23 once every 5 years to evaluate the effectiveness of the fees
 24 established under sections 4692 and 4693 of the Internal
 25 Revenue Code of 1986 in achieving the following goals:

1 (1) A net reduction of greenhouse gas emissions
2 by 45 percent, based on 2018 levels, by 2030.

3 (2) A net reduction of greenhouse gas emissions
4 by 100 percent, based on 2018 levels, by 2050.

5 (b) REQUIREMENTS.—In executing the agreement
6 under subsection (a), the Administrator shall ensure that,
7 in carrying out a study under that subsection, the Na-
8 tional Academy of Sciences—

9 (1) includes an evaluation of—

10 (A) total annual greenhouse gas emissions
11 by the United States, including greenhouse gas
12 emissions not subject to the fees described in
13 that subsection; and

14 (B) the historic trends in the total green-
15 house gas emissions evaluated under subpara-
16 graph (A);

17 (2) analyzes the extent to which greenhouse gas
18 emissions have been or would be reduced as a result
19 of current and potential future policies, including—

20 (A) a projection of greenhouse gas emis-
21 sions reductions that would result if the regula-
22 tions of the Administrator were to be adjusted
23 to impose stricter limits on greenhouse gas
24 emissions than the goals described in that sub-
25 section, with a particular focus on greenhouse

1 gas emissions not subject to the fees described
2 in that subsection;

3 (B) the status of greenhouse gas emissions
4 reductions that result from fees charged under
5 sections 4692 and 4693 of the Internal Rev-
6 enue Code of 1986;

7 (C) a projection of greenhouse gas emis-
8 sions reductions that would result if fees
9 charged under such sections were annually in-
10 creased—

11 (i) at the current price path; and

12 (ii) above the current price path;

13 (D) an analysis of greenhouse gas emis-
14 sions reductions that result from the policies of
15 States, units of local government, Tribal com-
16 munities, and the private sector;

17 (E) a projection of greenhouse gas emis-
18 sions reductions that would result from the pro-
19 mulgation of additional Federal climate policies,
20 including a clean energy standard, increased
21 fuel economy and greenhouse gas emissions
22 standards for motor vehicles, a low-carbon fuel
23 standard, electrification of cars and heavy-duty
24 trucks, and reforestation of not less than

1 3,000,000 acres of land within the National
2 Forest System; and

3 (F) the status and projections of
4 decarbonization in other major economies; and

5 (3) submits a report to the Administrator, Con-
6 gress, and the Board of Directors of the Climate
7 Change Finance Corporation describing the results
8 of the study.

9 **SEC. 9. EFFECTIVE DATE.**

10 The amendments made by this Act shall apply to any
11 calendar year beginning after December 31, 2021.

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