

114TH CONGRESS
1ST SESSION

S. _____

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

IN THE SENATE OF THE UNITED STATES

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

A BILL

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

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “American Opportunity
5 Carbon Fee Act of 2015”.

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

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

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

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

“Sec. 4691. Fee for carbon dioxide emissions.

“Sec. 4692. Fee on fluorinated greenhouse gases.

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

“Sec. 4694. Escaped methane.

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

“Sec. 4696. Definitions and other rules.

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

12 **“(a) IN GENERAL.—**

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

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

19 **“(i) coal—**

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

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

4 “(ii) petroleum products—

5 “(I) removed from any refinery,

6 “(II) removed from any terminal,

7 or

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

11 “(iii) natural gas—

12 “(I) entered into any processor,

13 or

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

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

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

5 “(A) from any facility which—

6 “(i) is required to report emissions, or
7 to which emissions are attributed, under
8 subpart A of part 98 of title 40, Code of
9 Federal Regulations, as in effect on the
10 date of the enactment of the American Op-
11 portunity Carbon Fee Act of 2015, and

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

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

18 “(b) APPLICABLE AMOUNT.—

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

21 “(A) for calendar year 2016, \$45,

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

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

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

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

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

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

14 “(2) INFLATION ADJUSTMENT AMOUNT.—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

12 “(D) REQUIREMENTS.—

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

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

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

1 tion 45Q(d)(2) for determining ade-
2 quate security measures for the secure
3 storage of qualified carbon dioxide for
4 purposes of subparagraph (A)(iii)(I).

5 “(II) RECAPTURE.—The Sec-
6 retary shall, by regulations, provide
7 for recapturing the benefit of any re-
8 fund made under subparagraph (A)
9 with respect to any qualified carbon
10 dioxide which is disposed in secure
11 storage and ceases to be stored in a
12 manner consistent with the require-
13 ments of this section.

14 “(iii) UTILIZATION.—The Secretary,
15 in consultation with the Administrator of
16 the Environmental Protection Agency,
17 shall establish regulations providing for the
18 appropriate methods and manners for the
19 utilization of qualified carbon dioxide
20 under subparagraph (A)(iii)(II), including
21 the utilization of captured carbon dioxide
22 for enhanced oil or gas recovery and the
23 production of substances such as plastics,
24 biofuels, and chemicals. Such regulations
25 shall provide for the minimization of the

1 escape or further emission of the qualified
2 carbon dioxide into the atmosphere.

3 “(E) QUALIFIED CARBON DIOXIDE; QUALI-
4 FIED FACILITY.—For purposes of this para-
5 graph—

6 “(i) QUALIFIED CARBON DIOXIDE.—
7 The term ‘qualified carbon dioxide’ has the
8 same meaning given that term under sec-
9 tion 45Q(b).

10 “(ii) QUALIFIED FACILITY.—The term
11 ‘qualified facility’ has the same meaning
12 given that term under section 45Q(c), de-
13 termined without regard to paragraph (3)
14 thereof.

15 “(2) MANUFACTURE OF CERTAIN GOODS.—In
16 the case of a person who uses any coal, petroleum
17 product, or natural gas for which a fee has been im-
18 posed under subsection (a)(1) as an input for a
19 manufactured good that encapsulates carbon dioxide
20 in a manner such that it does not result in the direct
21 emission of carbon dioxide in the manufacturing or
22 subsequent use of such good, a refund shall be al-
23 lowed to such person in the same manner as if it
24 were an overpayment of the fee imposed by such sec-
25 tion in an amount that is equal to the product of—

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

4 “(B) the total tons of carbon dioxide that
5 would have otherwise been emitted through the
6 combustion of such product.

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

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

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

21 “(1) produced at a fluorinated greenhouse gas
22 production facility,

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

1 “(3) emitted by an industrial fluorinated green-
2 house gas facility.

3 “(b) AMOUNT OF FEE.—The amount of fee imposed
4 by subsection (a) shall be equal to 10 percent of the appli-
5 cable amount determined under section 4691(b) per ton
6 of carbon dioxide equivalent produced or imported.

7 “(c) DEFINITIONS.—

8 “(1) FLUORINATED GREENHOUSE GAS PRODUC-
9 TION FACILITY.—The term ‘fluorinated greenhouse
10 gas production facility’ means any facility which is
11 included under the industrial gas supplier source
12 category under subpart OO of part 98 of title 40,
13 Code of Federal Regulations, as in effect on the date
14 of the enactment of the American Opportunity Car-
15 bon Fee Act of 2015.

16 “(2) FLUORINATED GREENHOUSE GAS IM-
17 PORTER.—The term ‘fluorinated greenhouse gas im-
18 porter’ means any importer who is included under—

19 “(A) the industrial gas supplier source cat-
20 egory under subpart OO of part 98 of title 40,
21 Code of Regulations, as in effect on the date of
22 the enactment of the American Opportunity
23 Carbon Fee Act of 2015, or

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

1 “(3) INDUSTRIAL FLUORINATED GREENHOUSE
2 GAS FACILITY.—The term ‘industrial greenhouse gas
3 facility’ means any facility which—

4 “(A) is included under—

5 “(i) the aluminum production source
6 category under subpart F of part 98 of
7 title 40, Code of Regulations, as in effect
8 on the date of the enactment of the Amer-
9 ican Opportunity Carbon Fee Act of 2015,

10 “(ii) the HCFC-22 production and
11 HFC-23 destruction source category under
12 subpart O of such part, (as so in effect),
13 or

14 “(iii) the fluorinated gas production
15 source category under subpart L of such
16 part (as so in effect), and

17 “(B) emitted during the previous calendar
18 year fluorinated greenhouse gases with a total
19 carbon dioxide equivalent of not less than
20 25,000 tons.

21 “(d) EXEMPTION FOR EXPORTS.—For purposes of
22 determining fluorinated greenhouse gases produced or im-
23 ported under subsection (a), there shall not be taken into
24 account any fluorinated greenhouse gases exported from
25 the United States in bulk or exported from the United

1 States in equipment pre-charged with fluorinated green-
2 house gases or containing fluorinated greenhouse gases in
3 closed cell foams.

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

15 “(1) an amount equal to 10 percent of the ap-
16 plicable amount under section 4691(b) for the cal-
17 endar year in which such fluorinated greenhouse gas
18 was used or destroyed, and

19 “(2) the excess (if any) of—

20 “(A) the total carbon dioxide equivalent of
21 the fluorinated greenhouse gases used or de-
22 stroyed, over

23 “(B) the total carbon dioxide equivalent of
24 any fluorinated greenhouse gases created as the

1 result of the transformation or destruction
2 process.

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

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

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

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

17 “(1) is required to report emissions (or which
18 would be required to report emissions notwith-
19 standing any other provision of law prohibiting the
20 implementation of or use of funds for such require-
21 ments), or to which emissions are attributed, under
22 part 98 of title 40, Code of Federal Regulations, as
23 in effect on the date of the enactment of the Amer-
24 ican Opportunity Carbon Fee Act of 2015, and

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

6 **“SEC. 4694. ESCAPED METHANE.**

7 “(a) REPORTING PROGRAM.—

8 “(1) IN GENERAL.—Not later than January 1,
9 2017, the Secretary of the Treasury, in consultation
10 with the Administrator of the Environmental Protec-
11 tion Agency and the Administrator of the Energy
12 Information Administration, shall establish and im-
13 plement a program to provide for the collection of
14 data on methane emissions by major non-natural
15 sources, including methane emissions attributable to
16 the extraction and distribution of coal, petroleum
17 products, and natural gas.

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

1 “(A) identification of all major non-natural
2 source categories of methane emissions, and

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

5 “(i) methane emissions and total
6 greenhouse gas emissions attributable to
7 the extraction and distribution of coal
8 within the United States during the pre-
9 ceding calendar year,

10 “(ii) methane emissions and total
11 greenhouse gas emissions attributable to
12 the extraction and distribution of petro-
13 leum products within the United States
14 during the preceding calendar year, and

15 “(iii) methane emissions and total
16 greenhouse gas emissions attributable to
17 the extraction and distribution of natural
18 gas within the United States during the
19 preceding calendar year.

20 “(b) SUPPLEMENTARY FEE FOR ESCAPED METH-
21 ANE.—

22 “(1) COAL.—In the case of any calendar year
23 beginning after 2017, the fee imposed under section
24 4691(a)(1) with respect to coal shall be increased by
25 the amount determined by the Secretary (in con-

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

9 “(2) PETROLEUM PRODUCTS.—In the case of
10 any calendar year beginning after 2017, the fee im-
11 posed under section 4691(a)(1) with respect to pe-
12 troleum products shall be increased by the amount
13 determined by the Secretary (in consultation with
14 the Administrator of the Environmental Protection
15 Agency) necessary to ensure that the total fees col-
16 lected under such section with respect to petroleum
17 products are equal to the total amount of such fees
18 that would be collected on petroleum products if the
19 fee imposed under section 4691(a)(1) also applied to
20 the carbon-dioxide equivalent of methane emissions
21 reported under subsection (a)(2)(B)(ii).

22 “(3) NATURAL GAS.—In the case of any cal-
23 endar year beginning after 2017, the fee imposed
24 under section 4691(a)(1) with respect to natural gas
25 shall be increased by the amount determined by the

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

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

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

14 “(b) EXPORTS.—

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

24 “(2) REDUCTION IN REFUND.—The amount of
25 the refund under paragraph (1) shall be reduced by

1 the amount, if any, of fees imposed on such goods
2 or comparable domestically produced energy-inten-
3 sive manufactured goods by the foreign nation or
4 governmental unit to which such good is exported.

5 “(c) IMPORTS.—

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

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

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

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

3 “(e) REGULATORY AUTHORITY.—

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

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

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

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

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

1 the enactment of the American Opportunity Carbon
2 Fee Act of 2015.

3 “(2) GREENHOUSE GAS.—The term ‘greenhouse
4 gas’ has the meaning given such term under section
5 211(o)(1)(G) of the Clean Air Act, as in effect on
6 the date of the enactment of the American Oppor-
7 tunity Carbon Fee Act of 2015.

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

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

13 “(5) ENERGY-INTENSIVE MANUFACTURED
14 GOOD.—

15 “(A) IN GENERAL.—The term ‘energy-in-
16 tensive manufactured good’ means any manu-
17 factured good for which not less than 5 percent
18 of the cost of which is attributable to energy
19 costs, as determined by the Secretary.

20 “(B) LIST OF ENERGY-INTENSIVE MANU-
21 FACTURED GOODS.—

22 “(i) INITIAL LIST.—Not later than
23 180 days after the date of the enactment
24 of this Act, the Secretary shall publish a

1 list of goods which qualify as energy-inten-
2 sive manufactured goods.

3 “(ii) UPDATES.—Not less frequently
4 than annually, the Secretary shall update
5 the list published under this subparagraph.

6 “(6) TON.—

7 “(A) IN GENERAL.—The term ‘ton’ means
8 1,000 kilograms. In the case of any greenhouse
9 gas which is a gas, the term ‘ton’ means the
10 amount of such gas in cubic meters which is the
11 equivalent of 1,000 kilograms on a molecular
12 weight basis.

13 “(B) FRACTIONAL PART OF TON.—In the
14 case of a fraction of a ton, any fee imposed by
15 this subchapter on such fraction shall be the
16 same fraction of the amount of such fee im-
17 posed on a whole ton.

18 “(7) UNITED STATES.—The term ‘United
19 States’ has the meaning given such term by section
20 4612(a)(4).

21 “(b) OTHER RULES.—

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

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

4 (b) CLERICAL AMENDMENT.—The table of sub-
5 chapters for chapter 38 of the Internal Revenue Code of
6 1986 is amended by adding at the end the following new
7 item:

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

8 (c) EFFECTIVE DATE.—The amendments made by
9 this section shall apply to taxable years beginning after
10 December 31, 2015.

11 **TITLE II—RETURNING FEE REV-**
12 **ENUE TO THE AMERICAN**
13 **PEOPLE**

14 **SEC. 201. REDUCTION IN CORPORATE TAX RATE.**

15 (a) IN GENERAL.—Section 11(b) of the Internal Rev-
16 enue Code of 1986 is amended—

17 (1) by inserting “and” at the end of subpara-
18 graph (B),

19 (2) by striking subparagraphs (C) and (D) and
20 inserting the following:

21 “(C) 29 percent of so much of the taxable
22 income as exceeds \$75,000.”,

23 (3) by striking “\$11,750” in the second sen-
24 tence and inserting “\$8,000”, and

1 (4) by striking the last sentence.

2 (b) CONFORMING AMENDMENTS.—

3 (1) Paragraph (2) of section 11(b) of the Inter-
4 nal Revenue Code of 1986 is amended by striking
5 “35 percent” and inserting “29 percent”.

6 (2) Paragraphs (1) and (2) of section 1445(e)
7 of such Code are each amended by striking “35 per-
8 cent” and inserting “29 percent”.

9 (3) Subparagraph (A) of section 7518(g)(6) of
10 such Code is amended by striking “34 percent” and
11 inserting “29 percent”.

12 (4) Paragraph (2) of section 53511(f) of title
13 46, United States Code, is amended by striking “34
14 percent” and inserting “29 percent”.

15 (c) EFFECTIVE DATES.—

16 (1) IN GENERAL.—Except as provided in para-
17 graph (2), the amendments made by this section
18 shall apply to taxable years beginning after Decem-
19 ber 31, 2015.

20 (2) WITHHOLDING.—The amendments made by
21 subsection (b)(2) shall take effect on January 1,
22 2016.

1 **SEC. 202. ESTABLISHMENT OF REFUNDABLE CREDIT FOR**
2 **WORKERS.**

3 (a) IN GENERAL.—Subpart C of part IV of sub-
4 chapter A of chapter 1 of the Internal Revenue Code of
5 1986 is amended by inserting after section 36 the fol-
6 lowing new section:

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

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

12 “(1) 6.2 percent of the earned income of the
13 taxpayer, or

14 “(2) \$500 (twice such amount in the case of a
15 joint return).

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

19 “(1) any nonresident alien individual,

20 “(2) any individual with respect to whom a de-
21 duction under section 151 is allowable to another
22 taxpayer for a taxable year beginning in the cal-
23 endar year in which the individual’s taxable year be-
24 gins, and

25 “(3) any individual who, for the month of De-
26 cember of the taxable year, was entitled to or eligible

1 for a benefit payment described in paragraph (1) or
2 (2) of section 203(b) of the American Opportunity
3 Carbon Fee Act of 2015.

4 “(c) EARNED INCOME.—

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

11 “(2) CERTAIN COMBAT ZONE COMPENSATION.—

12 For purposes of paragraph (1), any amount ex-
13 cluded from gross income by reason of section 112
14 shall be treated as earned income which is taken
15 into account in computing taxable income for the
16 taxable year.

17 “(d) INFLATION ADJUSTMENT.—

18 “(1) IN GENERAL.—In the case of a taxable
19 year beginning after 2016, the \$500 amount in sub-
20 section (a)(2) shall be increased by an amount equal
21 to—

22 “(A) such dollar amount, multiplied by

23 “(B) the cost-of-living adjustment deter-
24 mined under section 1(f)(3) for the calendar
25 year in which the taxable year begins, deter-

1 mined by substituting ‘calendar year 2015’ for
2 ‘calendar year 1992’ in subparagraph (B)
3 thereof.

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

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

20 (c) CONFORMING AMENDMENTS.—

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

24 (2) The table of sections for subpart C of part
25 IV of subchapter A of chapter 1 of such Code is

1 amended by inserting after the item relating to sec-
2 tion 36 the following new item:

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

3 (d) **EFFECTIVE DATE.**—The amendments made by
4 this section shall apply to taxable years beginning after
5 December 31, 2014.

6 **SEC. 203. ESTABLISHMENT OF PAYMENTS TO SOCIAL SECU-**
7 **RITY BENEFICIARIES AND OTHER RETIRED**
8 **AND DISABLED AMERICANS.**

9 (a) **AUTHORITY TO MAKE PAYMENTS.**—The Sec-
10 retary of the Treasury or the Secretary of the Treasury’s
11 delegate (referred to in this section as the “Secretary”)
12 shall, during the period between April 1 and May 15 of
13 calendar year 2016 and each year thereafter, disburse a
14 payment to each eligible beneficiary in an amount equal
15 to the amount in effect for taxable years beginning in the
16 preceding calendar year under section 36A(a)(2) of the In-
17 ternal Revenue Code of 1986.

18 (b) **ELIGIBLE BENEFICIARY.**—For purposes of this
19 section, the term “eligible beneficiary” means an indi-
20 vidual who, for the month of December of the preceding
21 year, was—

22 (1) entitled to any benefit payment described in
23 subparagraph (B) of section 2201(a)(1) of the
24 American Recovery and Reinvestment Act of 2009;
25 or

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

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

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

14 (e) IDENTIFICATION OF RECIPIENTS.—The Commis-
15 sioner of Social Security, the Railroad Retirement Board,
16 and the Secretary of Veterans Affairs shall certify the eli-
17 gible beneficiaries entitled to receive payments under this
18 section and provide the Secretary with any information
19 necessary to disburse such payments.

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

1 **SEC. 204. STATE-BASED COST MITIGATION GRANT PRO-**
2 **GRAM.**

3 (a) IN GENERAL.—The Secretary of the Treasury
4 shall provide to each State which meets the requirements
5 of subsection (d) a cost mitigation grant for each calendar
6 year after 2015 in an amount determined under sub-
7 section (c).

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

10 (1) to assist low-income households in reducing
11 energy expenses and meeting cost increases attrib-
12 utable to the fees imposed under subchapter E of
13 chapter 38 of the Internal Revenue Code of 1986
14 (as added by this Act);

15 (2) to assist rural households in reducing en-
16 ergy expenses and meeting such increases attrib-
17 utable to such fees; and

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

21 (c) AMOUNT OF GRANT.—

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

1 (A) the annual grant limitation determined
2 under paragraph (3) for such calendar year;
3 and

4 (B) the State allocation percentage for the
5 State (determined under paragraph (2)).

6 (2) STATE ALLOCATION PERCENTAGE.—The
7 “State allocation percentage” for a State is the
8 amount (expressed as a percentage) equal to the
9 quotient of—

10 (A) the population of such State (as re-
11 ported in the most recent decennial census);
12 and

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

15 (3) ANNUAL GRANT LIMITATION.—

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

18 (B) INFLATION ADJUSTMENT.—In the case
19 of any calendar year after 2016, the
20 \$20,000,000,000 amount in subparagraph (A)
21 shall be increased by an amount equal to—

22 (i) such dollar amount; multiplied by

23 (ii) the cost-of-living adjustment de-
24 termined under section 1(f)(3) of the In-
25 ternal Revenue Code of 1986 for the cal-

1 endar year, determined by substituting
2 “calendar year 2015” for “calendar year
3 1992” in subparagraph (B) thereof.

4 (4) REDISTRIBUTION.—In any case in which
5 one or more State does not meet the requirements
6 described in subsection (d) for a calendar year, an
7 amount equal to the State allocation percentage for
8 such State or States shall be distributed to each
9 State which did meet such conditions in an amount
10 equal to the product of—

11 (A) such amount; and

12 (B) the State allocation percentage of such
13 State (determined by not taking into account
14 under paragraph (2)(B) the population of any
15 State which did not meet the requirements of
16 subsection (d) for such calendar year).

17 (d) REQUIREMENTS FOR RECEIPT OF GRANT.—

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

20 (A) the chief executive officer of the State
21 certifies that the State will use such grant as
22 needed to deliver benefits to all eligible low-in-
23 come individuals through a household rebate
24 program;

1 (B) the State has filed with the Secretary
2 of the Treasury a State plan covering the cal-
3 endar year which details the use of the funds
4 received under the grant;

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

7 (D) the State has complied with the re-
8 quirements of this section for all preceding
9 years or the State has remedied all prior non-
10 compliance to the satisfaction of the Secretary
11 of Treasury.

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

14 (A) IN GENERAL.—The term “household
15 rebate program” means a program for deliv-
16 ering to monthly benefits in an aggregate an-
17 nual amount equal to the applicable amount to
18 all eligible low-income individuals through a
19 State-administered electronic benefit transfer
20 system.

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

1 (i) the amount in effect for taxable
2 years ending with or within the preceding
3 calendar year under section 36A(a)(2) of
4 the Internal Revenue Code of 1986, over

5 (ii) any amount allowed or claimed as
6 a credit by such individual under such sec-
7 tion for the taxable year ending with or
8 within the preceding calendar year.

9 (C) ELIGIBLE LOW-INCOME INDIVID-
10 UALS.—The term “eligible low-income indi-
11 vidual” means, with respect to any calendar
12 year, any individual who—

13 (i) has attained the age of 18 before
14 the end of the calendar year;

15 (ii) lives in a household that has a
16 gross income that does not exceed 150 per-
17 cent of the poverty line as defined by sec-
18 tion 673(2) of the Community Services
19 Block Grant Act;

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

24 (iv) for the month of December of the
25 preceding calendar year, was not entitled

1 to or eligible for a benefit payment de-
2 scribed in section 203(b).

3 (D) COORDINATION RULES.—The Sec-
4 retary of the Treasury shall coordinate with the
5 States and other applicable Federal agencies to
6 identify eligible low-income individuals.

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

14 (f) STATE.—For purposes of this section, the term
15 “State” includes the District of Columbia, the Common-
16 wealth of Puerto Rico, Guam, American Samoa, and the
17 United States Virgin Islands.

18 (g) APPROPRIATIONS.—There are hereby appro-
19 priated such sums as necessary for making cost mitigation
20 grants under this section.

21 **TITLE III—OTHER PROVISIONS**

22 **SEC. 301. PUBLIC DISCLOSURE OF REVENUES AND EX-** 23 **PENDITURES.**

24 (a) ESTABLISHMENT OF WEBSITE.—The Secretary
25 of the Treasury, or the Secretary’s designee, shall estab-

1 lish a website for purposes of making the disclosures de-
2 scribed in subsection (b)

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

6 (1) The amount and sources of revenue attrib-
7 utable to this Act and the amendments made by this
8 Act.

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

11 **SEC. 302. SEVERABILITY.**

12 If any provision of this Act or amendment made by
13 this Act, or the application of a provision or amendment
14 to any person or circumstance, is held to be unconstitu-
15 tional, the remainder of this Act and amendments made
16 by this Act, and the application of the provisions and
17 amendment to any person or circumstance, shall not be
18 affected by the holding.