

119TH CONGRESS
2^D SESSION

S. _____

To amend the Internal Revenue Code of 1986 to impose a windfall profits excise tax on crude oil and to rebate the tax collected back to individual taxpayers, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. WHITEHOUSE 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 impose a windfall profits excise tax on crude oil and to rebate the tax collected back to individual taxpayers, 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 “Big Oil Windfall Prof-
5 its Tax Act”.

1 **SEC. 2. WINDFALL PROFITS TAX.**

2 (a) IN GENERAL.—Subtitle E of the Internal Rev-
3 enue Code of 1986 is amended by adding at the end there-
4 of the following new chapter:

5 **“CHAPTER 56—WINDFALL PROFITS ON**
6 **CRUDE OIL**

“Sec. 5896. Imposition of tax.

“Sec. 5897. Definitions and special rules.

7 **“SEC. 5896. IMPOSITION OF TAX.**

8 “(a) IN GENERAL.—In addition to any other tax im-
9 posed under this title, in each calendar quarter there is
10 hereby imposed on any covered taxpayer an excise tax at
11 the rate determined under subsection (b) on—

12 “(1) each barrel of taxable crude oil extracted
13 by the taxpayer within the United States and re-
14 moved from the property of such taxpayer during
15 the calendar quarter, and

16 “(2) each barrel of taxable crude oil entered
17 into the United States during the calendar quarter
18 by the taxpayer for consumption, use, or
19 warehousing.

20 “(b) RATE OF TAX.—

21 “(1) IN GENERAL.—The rate of tax imposed by
22 this section on any barrel of taxable crude oil for
23 any calendar quarter is the product of—

24 “(A) 50 percent, and

1 “(B) the excess (if any) of—

2 “(i) the average price of a barrel of
3 Brent crude oil over the covered calendar
4 quarter, over

5 “(ii) the average price of a barrel of
6 Brent crude oil over the period beginning
7 on January 1, 2025, and ending on De-
8 cember 31, 2025.

9 “(2) INFLATION ADJUSTMENT.—

10 “(A) IN GENERAL.—In the case of a cal-
11 endar quarter beginning in any taxable year be-
12 ginning after 2026, the amount determined
13 under paragraph (1)(B)(ii) shall be increased
14 by an amount equal to—

15 “(i) such dollar amount, multiplied by

16 “(ii) the cost-of-living adjustment de-
17 termined under section 1(f)(3) for the cal-
18 endar year in which the taxable year be-
19 gins, determined by substituting ‘2025’ for
20 ‘2016’ in subparagraph (A)(ii) thereof.

21 “(B) ROUNDING.—If any dollar amount,
22 after being increased under subparagraph (A),
23 is not a multiple of \$0.50, such dollar amount
24 shall be rounded to the next lowest multiple of
25 \$0.01.

1 “(c) FRACTIONAL PART OF BARREL.—In the case of
2 a fraction of a barrel, the tax imposed by subsection (a)
3 shall be the same fraction of the amount of such tax im-
4 posed on the whole barrel.

5 **“SEC. 5897. DEFINITIONS AND SPECIAL RULES.**

6 “(a) DEFINITIONS.—For purposes of this chapter—

7 “(1) COVERED TAXPAYER.—

8 “(A) IN GENERAL.—The term ‘covered
9 taxpayer’ means, with respect to any calendar
10 quarter, any taxpayer if—

11 “(i) the average daily number of bar-
12 rels of taxable crude oil extracted and im-
13 ported by the taxpayer for calendar year
14 2025 exceeded 300,000 barrels, or

15 “(ii) the average daily number of bar-
16 rels of taxable crude oil extracted and im-
17 ported by the taxpayer for the calendar
18 quarter exceeds 300,000.

19 “(B) AGGREGATION RULES.—All persons
20 treated as a single employer under subsection
21 (a) or (b) of section 52 or subsection (m) or (o)
22 of section 414 shall be treated as one person for
23 purposes of paragraph (1).

1 “(2) TAXABLE CRUDE OIL.—The term ‘taxable
2 crude oil’ includes crude oil, crude oil condensates,
3 and natural gasoline.

4 “(3) BARREL.—The term ‘barrel’ means 42
5 United States gallons.

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

9 “(b) WITHHOLDING AND DEPOSIT OF TAX.—The
10 Secretary shall provide such rules as are necessary for the
11 withholding and deposit of the tax imposed under section
12 5896 on any taxable crude oil.

13 “(c) RECORDS AND INFORMATION.—Each taxpayer
14 liable for tax under section 5896 shall keep such records,
15 make such returns, and furnish such information (to the
16 Secretary and to other persons having an interest in the
17 taxable crude oil) with respect to such oil as the Secretary
18 may by regulations prescribe.

19 “(d) RETURN OF WINDFALL PROFIT TAX.—The Sec-
20 retary shall provide for the filing and the time of such
21 filing of the return of the tax imposed under section 5896.

22 “(e) REGULATIONS.—The Secretary shall prescribe
23 such regulations as may be necessary or appropriate to
24 carry out the purposes of this chapter.”.

1 (b) CLERICAL AMENDMENT.—The table of chapters
2 for subtitle E of the Internal Revenue Code of 1986 is
3 amended by adding at the end the following new item:

“CHAPTER 56. WINDFALL PROFIT ON CRUDE OIL”.

4 (c) EFFECTIVE DATE.—

5 (1) IN GENERAL.—The amendments made by
6 this section shall apply to crude oil removed or en-
7 tered after December 31, 2025, in calendar quarters
8 ending after such date.

9 (2) SPECIAL RULE FOR CERTAIN QUARTERS
10 DURING 2026.—In the case of any calendar quarter
11 ending before July 1, 2026, the tax imposed under
12 section 5896 of the Internal Revenue Code of 1986
13 (as added by this section) shall not be due before
14 September 30, 2026.

15 **SEC. 3. GASOLINE PRICE REBATES.**

16 (a) IN GENERAL.—Subchapter B of chapter 65 of the
17 Internal Revenue Code of 1986 is amended by adding at
18 the end the following new section:

19 **“SEC. 6436. GASOLINE PRICE REBATES.**

20 “(a) IN GENERAL.—In the case of an eligible indi-
21 vidual, there shall be allowed as a credit against the tax
22 imposed by subtitle A for each taxable year beginning
23 after December 31, 2025, an amount equal to the sum
24 of the gasoline price rebate amount for calendar quarters
25 beginning in such taxable year.

1 “(b) GASOLINE PRICE REBATE AMOUNT.—For pur-
2 poses of this section—

3 “(1) IN GENERAL.—The term ‘gasoline price
4 rebate amount’ means, with respect to any taxpayer
5 for any calendar quarter beginning in a taxable year,
6 an amount determined by the Secretary not later
7 than 30 days after the end of such calendar quarter
8 taking into account the number of eligible individ-
9 uals and the amount of revenues in the Protect Con-
10 sumers from Gas Hikes Fund resulting from the tax
11 imposed by section 5896 for the preceding calendar
12 quarter.

13 “(2) SPECIAL RULE FOR JOINT RETURNS.—In
14 the case of an eligible individual filing a joint return,
15 the gasoline price rebate amount shall be 150 per-
16 cent of the amount determined under paragraph (1)
17 with respect to other taxpayers.

18 “(3) LIMITATION BASED ON ADJUSTED GROSS
19 INCOME.—The amount of the credit allowed by sub-
20 section (a) (determined without regard to this sub-
21 section and subsection (e)) shall be reduced (but not
22 below zero) by 5 percent of so much of the eligible
23 individual’s adjusted gross income as exceeds—

24 “(A) \$150,000 in the case of a joint re-
25 turn,

1 “(B) \$112,500 in the case of a head of
2 household, and

3 “(C) \$75,000 in any other case.

4 “(c) ELIGIBLE INDIVIDUAL.—For purposes of this
5 section, the term ‘eligible individual’ means any individual
6 other than—

7 “(1) any nonresident alien individual,

8 “(2) any individual who is a dependent of an-
9 other taxpayer for a taxable year beginning in the
10 calendar year in which the individual’s taxable year
11 begins, and

12 “(3) an estate or trust.

13 “(d) DEFINITIONS AND SPECIAL RULES.—

14 “(1) DEPENDENT DEFINED.—For purposes of
15 this section, the term ‘dependent’ has the meaning
16 given such term by section 152.

17 “(2) IDENTIFICATION NUMBER REQUIRE-
18 MENT.—

19 “(A) IN GENERAL.—In the case of a re-
20 turn other than a joint return, the gasoline
21 price rebate amount in subsection (b)(1) shall
22 be treated as being zero unless the taxpayer in-
23 cludes the valid identification number of the
24 taxpayer on the return of tax for the taxable
25 year.

1 “(B) JOINT RETURNS.—In the case of a
2 joint return, the gasoline price rebate amount
3 in subsection (b)(1) shall be treated as being—

4 “(i) 50 percent of the amount other-
5 wise determined without regard to this
6 paragraph if the valid identification num-
7 ber of only 1 spouse is included on the re-
8 turn of tax for the taxable year, and

9 “(ii) zero if the valid identification
10 number of neither spouse is so included.

11 “(C) VALID IDENTIFICATION NUMBER.—

12 For purposes of this paragraph, the term ‘valid
13 identification number’ means a social security
14 number issued to an individual by the Social
15 Security Administration on or before the due
16 date for filing the return for the taxable year.

17 “(D) SPECIAL RULE FOR MEMBERS OF
18 THE ARMED FORCES.—Subparagraph (B) shall
19 not apply in the case where at least 1 spouse
20 was a member of the Armed Forces of the
21 United States at any time during the taxable
22 year and the valid identification number of at
23 least 1 spouse is included on the return of tax
24 for the taxable year.

1 “(E) COORDINATION WITH CERTAIN AD-
2 VANCE PAYMENTS.—In the case of any payment
3 determined pursuant to subsection (f)(6), a
4 valid identification number shall be treated for
5 purposes of this paragraph as included on the
6 taxpayer’s return of tax if such valid identifica-
7 tion number is available to the Secretary as de-
8 scribed in such subsection.

9 “(F) MATHEMATICAL OR CLERICAL ERROR
10 AUTHORITY.—Any omission of a correct valid
11 identification number required under this para-
12 graph shall be treated as a mathematical or
13 clerical error for purposes of applying section
14 6213(g)(2) to such omission.

15 “(3) CREDIT TREATED AS REFUNDABLE.—The
16 credit allowed by subsection (a) shall be treated as
17 allowed by subpart C of part IV of subchapter A of
18 chapter 1.

19 “(e) REGULATIONS.—The Secretary shall prescribe
20 such regulations or other guidance as may be necessary
21 or appropriate to carry out the purposes of this section.

22 “(f) OUTREACH.—The Secretary shall carry out a ro-
23 bust and comprehensive outreach program to ensure that
24 all taxpayers learn of their eligibility for the credits al-

1 lowed under this section and are provided assistance in
2 claiming such credits.”.

3 (b) TREATMENT OF CERTAIN POSSESSIONS.—

4 (1) PAYMENTS TO POSSESSIONS WITH MIRROR
5 CODE TAX SYSTEMS.—The Secretary of the Treas-
6 ury shall pay to each possession of the United States
7 which has a mirror code tax system amounts equal
8 to the loss (if any) to that possession by reason of
9 the amendments made by this section. Such
10 amounts shall be determined by the Secretary of the
11 Treasury based on information provided by the gov-
12 ernment of the respective possession.

13 (2) PAYMENTS TO OTHER POSSESSIONS.—The
14 Secretary of the Treasury shall pay to each posses-
15 sion of the United States which does not have a mir-
16 ror code tax system amounts estimated by the Sec-
17 retary of the Treasury as being equal to the aggre-
18 gate benefits (if any) that would have been provided
19 to residents of such possession by reason of the
20 amendments made by this section if a mirror code
21 tax system had been in effect in such possession.
22 The preceding sentence shall not apply unless the re-
23 spective possession has a plan, which has been ap-
24 proved by the Secretary of the Treasury, under

1 which such possession will promptly distribute such
2 payments to its residents.

3 (3) INCLUSION OF ADMINISTRATIVE EX-
4 PENSES.—The Secretary of the Treasury shall pay
5 to each possession of the United States to which the
6 Secretary makes a payment under paragraph (1) or
7 (2) an amount equal to the increase (if any) of the
8 administrative expenses of such possession—

9 (A) in the case of a possession described in
10 paragraph (1), by reason of the amendments
11 made by this section, and

12 (B) in the case of a possession described in
13 paragraph (2), by reason of carrying out the
14 plan described in such paragraph, or
15 the amount described in subparagraph (A) shall be
16 determined by the Secretary of the Treasury based
17 on information provided by the government of the
18 respective possession.

19 (4) COORDINATION WITH CREDIT ALLOWED
20 AGAINST UNITED STATES INCOME TAXES.—No cred-
21 it shall be allowed against United States income
22 taxes under section 6434 of the Internal Revenue
23 Code of 1986 (as added by this section) to any per-
24 son—

1 (A) to whom a credit is allowed against
2 taxes imposed by the possession by reason of
3 the amendments made by this section, or

4 (B) who is eligible for a payment under a
5 plan described in paragraph (2).

6 (5) MIRROR CODE TAX SYSTEM.—For purposes
7 of this subsection, the term “mirror code tax sys-
8 tem” means, with respect to any possession of the
9 United States, the income tax system of such posses-
10 sion if the income tax liability of the residents of
11 such possession under such system is determined by
12 reference to the income tax laws of the United
13 States as if such possession were the United States.

14 (6) TREATMENT OF PAYMENTS.—For purposes
15 of section 1324 of title 31, United States Code, the
16 payments under this subsection shall be treated in
17 the same manner as a refund due from a credit pro-
18 vision referred to in subsection (b)(2) of such sec-
19 tion.

20 (c) ADMINISTRATIVE PROVISIONS.—

21 (1) DEFINITION OF DEFICIENCY.—Section
22 6211(b)(4)(A) of the Internal Revenue Code of 1986
23 is amended by striking “and 6433” and inserting
24 “6433, and 6436,”.

25 (2) CONFORMING AMENDMENTS.—

1 (A) Paragraph (2) of section 1324(b) of
2 title 31, United States Code, is amended by in-
3 serting “6436,” after “6433,”.

4 (B) The table of sections for subchapter B
5 of chapter 65 of the Internal Revenue Code of
6 1986 is amended by adding at the end the fol-
7 lowing new item:

“Sec. 6436. Gasoline price rebates.”.

8 **SEC. 4. PROTECT CONSUMERS FROM GAS PRICE HIKES**
9 **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 new section:

13 **“SEC. 9512. PROTECT CONSUMERS FROM GAS PRICE HIKES**
14 **FUND.**

15 “(a) ESTABLISHMENT AND FUNDING.—There is
16 hereby established in the Treasury of the United States
17 a trust fund to be referred to as the ‘Protect Consumers
18 from Gas Hikes Fund’, consisting of such amounts as may
19 be appropriated or credited to such trust fund as provided
20 for in this section and section 9602(b).

21 “(b) TRANSFERS TO THE PROTECT CONSUMERS
22 FROM GAS PRICE HIKES FUND.—There are hereby ap-
23 propriated to the Protect Consumers from Gas Hikes
24 Fund amounts equivalent to the taxes received in the
25 Treasury under section 5896.

1 “(c) USE OF FUNDS.—The Secretary shall pay from
2 time to time from the Protect Consumers from Gas Price
3 Hikes Fund to the general fund of the Treasury amounts
4 equal to the amounts of refunds provided under section
5 6436.”.

6 (b) CLERICAL AMENDMENT.—The table of sections
7 for subchapter A of chapter 98 of such Code is amended
8 by adding at the end the following new item:

“Sec. 9512. Protect Consumers from Gas Price Hikes Fund.”.