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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 2907 Session of  
2022

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INTRODUCED BY RABB, HILL-EVANS, GUENST, MADDEN, HERRIN,  
HOHENSTEIN AND SIMS, OCTOBER 26, 2022

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REFERRED TO COMMITTEE ON ENVIRONMENTAL RESOURCES AND ENERGY,  
OCTOBER 26, 2022

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AN ACT

1 Establishing the greenhouse gas emissions fee on manufacturers;  
2 establishing the Greenhouse Gas Emissions Fund; and imposing  
3 duties on Department of Community and Economic Development.

4 The General Assembly of the Commonwealth of Pennsylvania  
5 hereby enacts as follows:

6 Section 1. Short title.

7 This act shall be known and may be cited as the Greenhouse  
8 Gas Emissions Fee Act.

9 Section 2. Definitions.

10 The following words and phrases when used in this act shall  
11 have the meanings given to them in this section unless the  
12 context clearly indicates otherwise:

13 "Coal." Any of the recognized classifications and ranks of  
14 coal, including anthracite, bituminous, semibituminous,  
15 subbituminous, lignite and peat.

16 "Coal preparation and processing plant." A facility,  
17 excluding underground mining operations, which prepares coal by  
18 one or more of the following processes:

- 1 (1) Breaking.
- 2 (2) Crushing.
- 3 (3) Screening.
- 4 (4) Wet or dry cleaning.
- 5 (5) Thermal drying.

6 "Department." The Department of Community and Economic  
7 Development of the Commonwealth.

8 "Facility." A physical property, plant, building, structure,  
9 source or stationary equipment located on one or more contiguous  
10 or adjacent properties in actual physical contact or separated  
11 solely by a public roadway or other public right-of-way and  
12 under common ownership or common control, that emits or may emit  
13 a greenhouse gas.

14 "Fund." The Greenhouse Gas Emission Fund established under  
15 section 4.

16 "Greenhouse gas." Carbon dioxide, nitrous oxide, methane,  
17 hydrofluorocarbons, perfluorocarbons or sulfur hexafluoride.

18 "Manufacturer." A person engaged in any of the following  
19 business activities:

- 20 (1) Iron and steel production and metallurgical coke  
21 production.
- 22 (2) Underground coal mining.
- 23 (3) Coal preparation and processing plants.
- 24 (4) Refineries.
- 25 (5) Cement production.
- 26 (6) Petrochemical production.
- 27 (7) Lime production.
- 28 (8) Ammonia production.
- 29 (9) Aluminum production.
- 30 (10) Soda ash production.

- 1 (11) Ferroalloy production.
- 2 (12) Phosphoric acid production.
- 3 (13) Glass production.
- 4 (14) Zinc production.
- 5 (15) Lead production.
- 6 (16) Magnesium production and processing.
- 7 (17) Nitric acid production.
- 8 (18) Adipic acid production.
- 9 (19) Semiconductor manufacture.
- 10 (20) Electrical transmission and distribution.
- 11 (21) Natural gas production.

12 "Opportunity payment." A one-time payment issued to a  
13 taxpayer under this act from money remaining in the fund at the  
14 end of a fiscal year.

15 "Refinery." A facility engaged in producing gasoline,  
16 kerosene, distillate fuel oils, residual fuel oils, lubricants  
17 or other products through distillation of petroleum or through  
18 redistillation, cracking or reforming of unfinished petroleum  
19 derivatives.

20 "Secretary." The Secretary of Community and Economic  
21 Development of the Commonwealth.

22 "Taxpayer." An individual who is a resident of this  
23 Commonwealth and subject to personal income tax under Article  
24 III of the act of March 4, 1971 (P.L.6, No.2), known as the Tax  
25 Reform Code of 1971.

26 Section 3. Imposition of fee.

27 (a) Threshold.--A fee is imposed on each manufacturer which  
28 produces from any of its facilities in this Commonwealth an  
29 average of more than 25,000 metric tons per year of greenhouse  
30 gases.

1 (b) Amount.--The fee imposed under this section shall be \$20  
2 per metric ton of greenhouse gas emissions.

3 (c) Payment.--The fee imposed under this section shall be  
4 paid by the manufacturer to the Commonwealth.

5 (d) Deposit.--The fee paid to this Commonwealth under this  
6 section shall be deposited into the fund.

7 Section 4. Greenhouse Gas Emission Fund.

8 (a) Establishment.--The Greenhouse Gas Emission Fund is  
9 established as a fund in the State Treasury.

10 (b) Use of money.--The money deposited into the fund is  
11 appropriated on a continuing basis to the department for  
12 purposes of providing grants under the Whole-Home Repairs  
13 Program established under section 135-C of the act of April 9,  
14 1929 (P.L.343, No.176), known as The Fiscal Code. No more than  
15 \$25,000,000 in a fiscal year shall be used for grants under the  
16 Whole-Home Repairs Program.

17 (c) Payments to taxpayers.--Money remaining in the fund at  
18 the end of a fiscal year shall be paid as opportunity payments  
19 as follows:

20 (1) The department, in consultation with the Department  
21 of Revenue, shall determine the amount payable to each  
22 taxpayer based on the amount of money in the fund subject to  
23 the following:

24 (i) No opportunity payment shall be issued to an  
25 individual who files a tax return as a single individual  
26 and has a household income of more than \$100,000 in a  
27 year.

28 (ii) No opportunity payment shall be issued to an  
29 individual who files a tax return jointly with another  
30 individual and has a household income of more than

1           \$200,000 in a year.

2           (2) The department shall issue opportunity payments to  
3           taxpayers within 120 days after the end of a fiscal year in  
4           which money remains in the fund.

5 Section 5. Reports.

6           (a) Publication and contents.--By March 30, 2023, and each  
7           March 30 thereafter, the secretary shall report the emissions  
8           during the calendar year ending on the preceding December 31  
9           from those manufacturers subject to a fee under this act.

10          (b) Transmittal.--The report under this section shall be  
11          transmitted to all of the following:

12           (1) The Governor.

13           (2) The President pro tempore of the Senate.

14           (3) The Minority Leader of the Senate.

15           (4) The Speaker of the House of Representatives.

16           (5) The Minority Leader of the House of Representatives.

17 Section 6. Rules and regulations.

18          The department, in consultation with the Department of  
19          Environmental Protection, shall promulgate rules and regulations  
20          as necessary to implement the provisions of this act regarding  
21          the calculation of greenhouse gas emissions and the fee.

22 Section 7. Effective date.

23          This act shall take effect as follows:

24           (1) This section and section 5 shall take effect  
25           immediately.

26           (2) Sections 1, 2 and 6 shall take effect in 60 days.

27           (3) The remainder of this act shall take effect in 180  
28           days.