
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2978 Session of
2020

INTRODUCED BY RABB, KINSEY, HILL-EVANS, DONATUCCI, FRANKEL,
WEBSTER, JOHNSON-HARRELL, FIEDLER, INNAMORATO, OTTEN, LEE,
SHUSTERMAN, D. MILLER, MADDEN, DAWKINS, HOHENSTEIN AND
VITALI, NOVEMBER 30, 2020

REFERRED TO COMMITTEE ON FINANCE, NOVEMBER 30, 2020

AN ACT

1 Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An
2 act relating to tax reform and State taxation by codifying
3 and enumerating certain subjects of taxation and imposing
4 taxes thereon; providing procedures for the payment,
5 collection, administration and enforcement thereof; providing
6 for tax credits in certain cases; conferring powers and
7 imposing duties upon the Department of Revenue, certain
8 employers, fiduciaries, individuals, persons, corporations
9 and other entities; prescribing crimes, offenses and
10 penalties," providing for greenhouse gas emissions tax.

11 The General Assembly of the Commonwealth of Pennsylvania
12 hereby enacts as follows:

13 Section 1. The act of March 4, 1971 (P.L.6, No.2), known as
14 the Tax Reform Code of 1971, is amended by adding an article to
15 read:

16 ARTICLE XXIX-I

17 GREENHOUSE GAS EMISSIONS TAX

18 Section 2901-I. Scope of article.

19 This article relates to the imposition of a tax on greenhouse
20 gas emissions.

21 Section 2902-I. Definitions.

1 The following words and phrases when used in this article
2 shall have the meanings given to them in this section unless the
3 context clearly indicates otherwise:

4 "Coal." Any of the recognized classifications and ranks of
5 coal, including anthracite, bituminous, semibituminous,
6 subbituminous, lignite and peat.

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

10 (1) Breaking.

11 (2) Crushing.

12 (3) Screening.

13 (4) Wet or dry cleaning.

14 (5) Thermal drying.

15 "Department." The Department of Environmental Protection of
16 the Commonwealth.

17 "Facility." A physical property, plant, building, structure,
18 source or stationary equipment located on one or more contiguous
19 or adjacent properties in actual physical contact or separated
20 solely by a public roadway or other public right-of-way and
21 under common ownership or common control, that emits or may emit
22 any greenhouse gas.

23 "Greenhouse gas." Carbon dioxide, nitrous oxide, methane,
24 hydrofluorocarbons, perfluorocarbons or sulfur hexafluoride.

25 "Manufacturer." A person engaged in any of the following
26 business activities:

27 (1) Iron and steel production and metallurgical coke
28 production.

29 (2) Underground coal mining.

30 (3) Coal preparation and processing plants.

- 1 (4) Refineries.
- 2 (5) Cement production.
- 3 (6) Petrochemical production.
- 4 (7) Lime production.
- 5 (8) Ammonia production.
- 6 (9) Aluminum production.
- 7 (10) Soda ash production.
- 8 (11) Ferroalloy production.
- 9 (12) Phosphoric acid production.
- 10 (13) Glass production.
- 11 (14) Zinc production.
- 12 (15) Lead production.
- 13 (16) Magnesium production and processing.
- 14 (17) Nitric acid production.
- 15 (18) Adipic acid production.
- 16 (19) Semiconductor manufacture.
- 17 (20) Electrical transmission and distribution.
- 18 (21) Natural gas production.
- 19 "Point of taxation." A facility of a manufacturer which
20 emits greenhouse gases subject to taxation under this article in
21 any calendar year.
- 22 "Refinery." A facility engaged in producing gasoline,
23 kerosene, distillate fuel oils, residual fuel oils, lubricants
24 or other products through distillation of petroleum or through
25 redistillation, cracking or reforming of unfinished petroleum
26 derivatives.
- 27 "Secretary." The Secretary of Environmental Protection.
- 28 Section 2903-I. Imposition of tax.
- 29 (a) Threshold.--A tax is imposed on each manufacturer which
30 produces from any of its facilities in this Commonwealth an

1 average of more than 25,000 metric tons per year of greenhouse
2 gases.

3 (b) Amount.--The tax imposed under this section shall be \$20
4 per metric ton of greenhouse gas emissions.

5 (c) Payment.--The tax imposed under this section shall be
6 paid by the manufacturer at the point of taxation.

7 (d) Collection and administration.--The provisions of Part
8 VI of Article II shall apply to the tax imposed under this
9 section.

10 Section 2904-I. Deposit.

11 The tax collected under this article shall be deposited into
12 the General Fund.

13 Section 2905-I. Reports.

14 (a) Publication and contents.--By March 30, 2021, and each
15 March 30 thereafter, the secretary shall report the emissions
16 during the calendar year ending on the preceding December 31
17 from those manufacturers subject to taxation under this article.

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

20 (1) The commission.

21 (2) The Governor.

22 (3) The President pro tempore of the Senate.

23 (4) The Minority Leader of the Senate.

24 (5) The Speaker of the House of Representatives.

25 (6) The Minority Leader of the House of Representatives.

26 Section 2906-I. Rules and regulations.

27 The department shall promulgate rules and regulations as
28 necessary to implement the provisions of this article regarding
29 the calculation of greenhouse gas emissions and points of
30 taxation.

1 Section 2. This act shall take effect as follows:

2 (1) This section and the addition of section 2905-I of
3 the act shall take effect immediately.

4 (2) The addition of sections 2901-I, 2902-I and 2906-I
5 of the act shall take effect in 60 days.

6 (3) The remainder of this act shall take effect in 180
7 days.