

114TH CONGRESS
1ST SESSION

S. 1548

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

JUNE 10, 2015

Mr. WHITEHOUSE (for himself and Mr. SCHATZ) 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 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), or

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

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

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

1 house gases or containing fluorinated greenhouse gases in
2 closed cell foams.

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

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

18 “(2) the excess (if any) of—

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

22 “(B) the total carbon dioxide equivalent of
23 any fluorinated greenhouse gases created as the
24 result of the transformation or destruction
25 process.

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

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

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

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

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

23 “(2) emitted during the previous calendar year
24 greenhouse gases (not including carbon dioxide or
25 fluorinated greenhouse gases) at a rate equal to the

1 carbon dioxide equivalent of not less than 25,000
2 tons.

3 **“SEC. 4694. ESCAPED METHANE.**

4 “(a) REPORTING PROGRAM.—

5 “(1) IN GENERAL.—Not later than January 1,
6 2017, the Secretary of the Treasury, in consultation
7 with the Administrator of the Environmental Protec-
8 tion Agency and the Administrator of the Energy
9 Information Administration, shall establish and im-
10 plement a program to provide for the collection of
11 data on methane emissions by major non-natural
12 sources, including methane emissions attributable to
13 the extraction and distribution of coal, petroleum
14 products, and natural gas.

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

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

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

1 “(i) methane emissions and total
2 greenhouse gas emissions attributable to
3 the extraction and distribution of coal
4 within the United States during the pre-
5 ceding calendar year,

6 “(ii) methane emissions and total
7 greenhouse gas emissions attributable to
8 the extraction and distribution of petro-
9 leum products within the United States
10 during the preceding calendar year, and

11 “(iii) methane emissions and total
12 greenhouse gas emissions attributable to
13 the extraction and distribution of natural
14 gas within the United States during the
15 preceding calendar year.

16 “(b) SUPPLEMENTARY FEE FOR ESCAPED METH-
17 ANE.—

18 “(1) COAL.—In the case of any calendar year
19 beginning after 2017, the fee imposed under section
20 4691(a)(1) with respect to coal shall be increased by
21 the amount determined by the Secretary (in con-
22 sultation with the Administrator of the Environ-
23 mental Protection Agency) necessary to ensure that
24 the total fees collected under such section with re-
25 spect to coal are equal to the total amount of such

1 fees that would be collected on coal if the fee im-
2 posed under section 4691(a)(1) also applied to the
3 carbon-dioxide equivalent of methane emissions re-
4 ported under subsection (a)(2)(B)(i).

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

18 “(3) NATURAL GAS.—In the case of any cal-
19 endar year beginning after 2017, the fee imposed
20 under section 4691(a)(1) with respect to natural gas
21 shall be increased by the amount determined by the
22 Secretary (in consultation with the Administrator of
23 the Environmental Protection Agency) necessary to
24 ensure that the total fees collected under such sec-
25 tion with respect to natural gas are equal to the

1 total amount of such fees that would be collected on
2 natural gas if the fee imposed under section
3 4691(a)(1) also applied to the carbon-dioxide equiva-
4 lent of methane emissions reported under subsection
5 (a)(2)(B)(iii).

6 **“SEC. 4695. BORDER ADJUSTMENTS FOR ENERGY-INTEN-**
7 **SIVE MANUFACTURED GOODS.**

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

10 “(b) EXPORTS.—

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

20 “(2) REDUCTION IN REFUND.—The amount of
21 the refund under paragraph (1) shall be reduced by
22 the amount, if any, of fees imposed on such goods
23 or comparable domestically produced energy-inten-
24 sive manufactured goods by the foreign nation or
25 governmental unit to which such good is exported.

1 “(c) IMPORTS.—

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

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

18 “(d) TREATMENT OF ALTERNATIVE POLICIES AS
19 FEES.—Under regulations established by the Secretary,
20 foreign policies that have substantially the same effect in
21 reducing emissions of greenhouse gases as fees shall be
22 treated as fees for purposes of subsections (b)(2) and
23 (c)(2).

24 “(e) REGULATORY AUTHORITY.—

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

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

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

13 “(a) DEFINITIONS.—For purposes of this sub-
14 chapter:

15 “(1) CARBON DIOXIDE EQUIVALENT.—The
16 term ‘carbon dioxide equivalent’ means, with respect
17 to a greenhouse gas, the quantity of such gas that
18 has a global warming potential equivalent to 1 met-
19 ric ton of carbon dioxide, as determined pursuant to
20 table A–1 of subpart A of part 98 of title 40, Code
21 of Federal Regulations, as in effect on the date of
22 the enactment of the American Opportunity Carbon
23 Fee Act of 2015.

24 “(2) GREENHOUSE GAS.—The term ‘greenhouse
25 gas’ has the meaning given such term under section

1 211(o)(1)(G) of the Clean Air Act, as in effect on
2 the date of the enactment of the American Oppor-
3 tunity Carbon Fee Act of 2015.

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

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

9 “(5) ENERGY-INTENSIVE MANUFACTURED
10 GOOD.—

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

16 “(B) LIST OF ENERGY-INTENSIVE MANU-
17 FACTURED GOODS.—

18 “(i) INITIAL LIST.—Not later than
19 180 days after the date of the enactment
20 of this Act, the Secretary shall publish a
21 list of goods which qualify as energy-inten-
22 sive manufactured goods.

23 “(ii) UPDATES.—Not less frequently
24 than annually, the Secretary shall update
25 the list published under this subparagraph.

1 “(6) TON.—

2 “(A) IN GENERAL.—The term ‘ton’ means
3 1,000 kilograms. In the case of any greenhouse
4 gas which is a gas, the term ‘ton’ means the
5 amount of such gas in cubic meters which is the
6 equivalent of 1,000 kilograms on a molecular
7 weight basis.

8 “(B) FRACTIONAL PART OF TON.—In the
9 case of a fraction of a ton, any fee imposed by
10 this subchapter on such fraction shall be the
11 same fraction of the amount of such fee im-
12 posed on a whole ton.

13 “(7) UNITED STATES.—The term ‘United
14 States’ has the meaning given such term by section
15 4612(a)(4).

16 “(b) OTHER RULES.—

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

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

24 (b) CLERICAL AMENDMENT.—The table of sub-
25 chapters for chapter 38 of the Internal Revenue Code of

1 1986 is amended by adding at the end the following new
2 item:

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

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

6 **TITLE II—RETURNING FEE REV-**
7 **ENUE TO THE AMERICAN**
8 **PEOPLE**

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

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

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

14 (2) by striking subparagraphs (C) and (D) and
15 inserting the following:

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

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

20 (4) by striking the last sentence.

21 (b) CONFORMING AMENDMENTS.—

22 (1) Paragraph (2) of section 11(b) of the Inter-
23 nal Revenue Code of 1986 is amended by striking
24 “35 percent” and inserting “29 percent”.

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

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

7 (4) Paragraph (2) of section 53511(f) of title
8 46, United States Code, is amended by striking “34
9 percent” and inserting “29 percent”.

10 (c) EFFECTIVE DATES.—

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

15 (2) WITHHOLDING.—The amendments made by
16 subsection (b)(2) shall take effect on January 1,
17 2016.

18 **SEC. 202. ESTABLISHMENT OF REFUNDABLE CREDIT FOR**
19 **WORKERS.**

20 (a) IN GENERAL.—Subpart C of part IV of sub-
21 chapter A of chapter 1 of the Internal Revenue Code of
22 1986 is amended by inserting after section 36 the fol-
23 lowing new section:

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

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

6 “(1) 6.2 percent of the earned income of the
7 taxpayer, or

8 “(2) \$500 (twice such amount in the case of a
9 joint return).

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

13 “(1) any nonresident alien individual,

14 “(2) any individual with respect to whom a de-
15 duction under section 151 is allowable to another
16 taxpayer for a taxable year beginning in the cal-
17 endar year in which the individual’s taxable year be-
18 gins, and

19 “(3) any individual who, for the month of De-
20 cember of the taxable year, was entitled to or eligible
21 for a benefit payment described in paragraph (1) or
22 (2) of section 203(b) of the American Opportunity
23 Carbon Fee Act of 2015.

24 “(c) EARNED INCOME.—

25 “(1) IN GENERAL.—For purposes of this sec-
26 tion, the term ‘earned income’ has the meaning

1 given such term by section 32(c)(2), except that
2 such term shall not include net earnings from self-
3 employment which are not taken into account in
4 computing taxable income.

5 “(2) CERTAIN COMBAT ZONE COMPENSATION.—

6 For purposes of paragraph (1), any amount ex-
7 cluded from gross income by reason of section 112
8 shall be treated as earned income which is taken
9 into account in computing taxable income for the
10 taxable year.

11 “(d) INFLATION ADJUSTMENT.—

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

16 “(A) such dollar amount, multiplied by

17 “(B) the cost-of-living adjustment deter-
18 mined under section 1(f)(3) for the calendar
19 year in which the taxable year begins, deter-
20 mined by substituting ‘calendar year 2015’ for
21 ‘calendar year 1992’ in subparagraph (B)
22 thereof.

23 “(2) ROUNDING.—If any dollar amount, after
24 being increased under paragraph (1), is not a mul-

1 tiple of \$10, such dollar amount shall be rounded to
2 the next lowest multiple of \$10.”.

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

15 (c) CONFORMING AMENDMENTS.—

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

19 (2) The table of sections for subpart C of part
20 IV of subchapter A of chapter 1 of such Code is
21 amended by inserting after the item relating to sec-
22 tion 36 the following new item:

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

23 (d) EFFECTIVE DATE.—The amendments made by
24 this section shall apply to taxable years beginning after
25 December 31, 2014.

1 **SEC. 203. ESTABLISHMENT OF PAYMENTS TO SOCIAL SECUR-**
2 **RITY BENEFICIARIES AND OTHER RETIRED**
3 **AND DISABLED AMERICANS.**

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

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

17 (1) entitled to any benefit payment described in
18 subparagraph (B) of section 2201(a)(1) of the
19 American Recovery and Reinvestment Act of 2009;
20 or

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

23 (c) **RESIDENCY REQUIREMENT.**—A payment may be
24 made under this section only to an eligible beneficiary who
25 resides in any State (as defined in section 204(f)), as de-
26 termined based on the current address of record for such

1 beneficiary under the applicable program for payment of
2 benefits described in subsection (b).

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

8 (e) IDENTIFICATION OF RECIPIENTS.—The Commis-
9 sioner of Social Security, the Railroad Retirement Board,
10 and the Secretary of Veterans Affairs shall certify the eli-
11 gible beneficiaries entitled to receive payments under this
12 section and provide the Secretary with any information
13 necessary to disburse such payments.

14 (f) APPLICATION OF ADDITIONAL RULES.—Rules
15 similar to the rules of subsections (a)(4), (c), and (d) of
16 section 2201 of the American Recovery and Reinvestment
17 Act of 2009 shall apply for purposes of payments under
18 this section.

19 **SEC. 204. STATE-BASED COST MITIGATION GRANT PRO-**
20 **GRAM.**

21 (a) IN GENERAL.—The Secretary of the Treasury
22 shall provide to each State which meets the requirements
23 of subsection (d) a cost mitigation grant for each calendar
24 year after 2015 in an amount determined under sub-
25 section (c).

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

3 (1) to assist low-income households in reducing
4 energy expenses and meeting cost increases attrib-
5 utable to the fees imposed under subchapter E of
6 chapter 38 of the Internal Revenue Code of 1986
7 (as added by this Act);

8 (2) to assist rural households in reducing en-
9 ergy expenses and meeting such increases attrib-
10 utable to such fees; and

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

14 (c) AMOUNT OF GRANT.—

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

18 (A) the annual grant limitation determined
19 under paragraph (3) for such calendar year;
20 and

21 (B) the State allocation percentage for the
22 State (determined under paragraph (2)).

23 (2) STATE ALLOCATION PERCENTAGE.—The
24 “State allocation percentage” for a State is the

1 amount (expressed as a percentage) equal to the
2 quotient of—

3 (A) the population of such State (as re-
4 ported in the most recent decennial census);
5 and

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

8 (3) ANNUAL GRANT LIMITATION.—

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

11 (B) INFLATION ADJUSTMENT.—In the case
12 of any calendar year after 2016, the
13 \$20,000,000,000 amount in subparagraph (A)
14 shall be increased 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) of the In-
18 ternal Revenue Code of 1986 for the cal-
19 endar year, determined by substituting
20 “calendar year 2015” for “calendar year
21 1992” in subparagraph (B) thereof.

22 (4) REDISTRIBUTION.—In any case in which
23 one or more States do not meet the requirements de-
24 scribed in subsection (d) for a calendar year, an
25 amount equal to the State allocation percentage for

1 such State or States shall be distributed to each
2 State which did meet such conditions in an amount
3 equal to the product of—

4 (A) such amount; and

5 (B) the State allocation percentage of such
6 State (determined by not taking into account
7 under paragraph (2)(B) the population of any
8 State which did not meet the requirements of
9 subsection (d) for such calendar year).

10 (d) REQUIREMENTS FOR RECEIPT OF GRANT.—

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

13 (A) the chief executive officer of the State
14 certifies that the State will use such grant as
15 needed to deliver benefits to all eligible low-in-
16 come individuals through a household rebate
17 program;

18 (B) the State has filed with the Secretary
19 of the Treasury a State plan covering the cal-
20 endar year which details the use of the funds
21 received under the grant;

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

24 (D) the State has complied with the re-
25 quirements of this section for all preceding

1 years or the State has remedied all prior non-
2 compliance to the satisfaction of the Secretary
3 of the Treasury.

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

6 (A) IN GENERAL.—The term “household
7 rebate program” means a program for deliv-
8 ering to monthly benefits in an aggregate an-
9 nual amount equal to the applicable amount to
10 all eligible low-income individuals through a
11 State-administered electronic benefit transfer
12 system.

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

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

21 (ii) any amount allowed or claimed as
22 a credit by such individual under such sec-
23 tion for the taxable year ending with or
24 within the preceding calendar year.

1 (C) ELIGIBLE LOW-INCOME INDIVID-
2 UALS.—The term “eligible low-income indi-
3 vidual” means, with respect to any calendar
4 year, any individual who—

5 (i) has attained the age of 18 before
6 the end of the calendar year;

7 (ii) lives in a household that has a
8 gross income that does not exceed 150 per-
9 cent of the poverty line as defined by sec-
10 tion 673(2) of the Community Services
11 Block Grant Act;

12 (iii) participates in a federally funded
13 State administered assistance program or
14 otherwise applies for such benefits under
15 such a program; and

16 (iv) for the month of December of the
17 preceding calendar year, was not entitled
18 to or eligible for a benefit payment de-
19 scribed in section 203(b).

20 (D) COORDINATION RULES.—The Sec-
21 retary of the Treasury shall coordinate with the
22 States and other applicable Federal agencies to
23 identify eligible low-income individuals.

24 (e) AUDITS.—The Secretary of the Treasury shall
25 audit the State use of grants under this section to ensure

1 such uses comply with the requirements of this section and
 2 with the uses identified by the State under subsection
 3 (d)(1)(B). The Secretary may withhold a grant under this
 4 section if the Secretary determines that a State has not
 5 complied with such requirements.

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

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

13 **TITLE III—OTHER PROVISIONS**

14 **SEC. 301. PUBLIC DISCLOSURE OF REVENUES AND EX-** 15 **PENDITURES.**

16 (a) ESTABLISHMENT OF WEBSITE.—The Secretary
 17 of the Treasury, or the Secretary’s designee, shall estab-
 18 lish a website for purposes of making the disclosures de-
 19 scribed in subsection (b).

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

23 (1) The amount and sources of revenue attrib-
 24 utable to this Act and the amendments made by this
 25 Act.

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

3 **SEC. 302. SEVERABILITY.**

4 If any provision of this Act or amendment made by
5 this Act, or the application of a provision or amendment
6 to any person or circumstance, is held to be unconstitu-
7 tional, the remainder of this Act and amendments made
8 by this Act, and the application of the provisions and
9 amendment to any person or circumstance, shall not be
10 affected by the holding.

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