

116TH CONGRESS
1ST SESSION

S. 2284

To create a Climate Action Rebate Fund in order to efficiently reduce greenhouse gas emissions, provide a monthly rebate to the American people, encourage innovation of clean energy technologies and create new economic opportunities, ensure the resiliency of our infrastructure, assist with the transition to a clean energy economy, and leave a healthier, more stable, and more prosperous nation for future generations.

IN THE SENATE OF THE UNITED STATES

JULY 25, 2019

Mr. COONS (for himself and Mrs. FEINSTEIN) introduced the following bill;
which was read twice and referred to the Committee on Finance

A BILL

To create a Climate Action Rebate Fund in order to efficiently reduce greenhouse gas emissions, provide a monthly rebate to the American people, encourage innovation of clean energy technologies and create new economic opportunities, ensure the resiliency of our infrastructure, assist with the transition to a clean energy economy, and leave a healthier, more stable, and more prosperous nation for future generations.

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

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Climate Action Rebate
3 Act of 2019”.

4 **SEC. 2. FINDINGS.**

5 The Congress finds that—

6 (1) climate change is costing the United States
7 billions of dollars of economic losses and poses an
8 existential threat to our safety and security;

9 (2) markets should reflect all costs of goods, in-
10 cluding external factors such as pollution; and

11 (3) creation of a Climate Action Rebate Fund
12 can make markets more efficient, create jobs, stimu-
13 late innovation, invest in infrastructure, put money
14 back in the pockets of Americans, and provide for
15 the transition to a cleaner energy future.

16 **SEC. 3. CARBON FEE.**

17 (a) IN GENERAL.—Chapter 38 of subtitle D of the
18 Internal Revenue Code of 1986 is amended by adding at
19 the end the following new subchapter:

20 **“Subchapter E—Carbon Fee**

“Sec. 4691. Definitions.

“Sec. 4692. Carbon fee.

“Sec. 4693. Emissions reduction schedule.

“Sec. 4694. Fee on fluorinated greenhouse gases.

“Sec. 4695. Carbon capture refunds.

“Sec. 4696. Carbon border fee adjustment.

“Sec. 4697. Administration of the carbon border fee adjustment.

“Sec. 4698. Allocation of carbon border fee adjustment revenues.

1 **“SEC. 4691. DEFINITIONS.**

2 “For purposes of this subchapter—

3 “(a) ADMINISTRATOR.—The term ‘Administrator’
4 means the Administrator of the Environmental Protection
5 Agency.

6 “(b) CARBON DIOXIDE EQUIVALENT OR CO₂-E.—
7 The term ‘carbon dioxide equivalent’ or ‘CO₂-e’ means the
8 number of metric tons of carbon dioxide emissions with
9 the same global warming potential as one metric ton of
10 another greenhouse gas.

11 “(c) CARBON-INTENSIVE PRODUCT.—The term ‘car-
12 bon-intensive product’ means—

13 “(1) iron, steel, steel mill products (including
14 pipe and tube), aluminum, cement, glass (including
15 flat, container, and specialty glass and fiberglass),
16 pulp, paper, chemicals, or industrial ceramics, and

17 “(2) any manufactured product which the Sec-
18 retary, in consultation with the Administrator, deter-
19 mines is energy-intensive and trade-exposed (with
20 the exception of any covered fuel).

21 “(d) COVERED ENTITY.—The term ‘covered entity’
22 means—

23 “(1) in the case of crude oil—

24 “(A) any operator of a United States refin-
25 ery (as described in subsection (d)(1) of section
26 4611), and

1 “(B) any person entering such product
2 into the United States for consumption, use, or
3 warehousing (as described in subsection (d)(2)
4 of such section),

5 “(2) in the case of coal—

6 “(A) any producer subject to the tax under
7 section 4121, and

8 “(B) any importer of coal into the United
9 States,

10 “(3) in the case of natural gas—

11 “(A) any entity which produces natural
12 gas (as defined in section 613A(e)(2)) from a
13 well located in the United States, and

14 “(B) any importer of natural gas into the
15 United States,

16 “(4) in the case of fluorinated gases, any entity
17 required to report the emission of a fluorinated gas
18 under part 98 of title 40, Code of Federal Regula-
19 tions,

20 “(5) in the case of solid biomass, any entity
21 which operates a facility that combusts such solid
22 biomass in a manner which emits a greenhouse gas
23 into the atmosphere, and

24 “(6) any entity or class of entities which, as de-
25 termined by the Secretary, is transporting, selling,

1 or otherwise using a covered fuel in a manner which
2 emits a greenhouse gas into the atmosphere and
3 which has not been covered by the carbon fee, the
4 fluorinated greenhouse gas fee, or the carbon border
5 fee adjustment.

6 “(e) COVERED FUEL.—The term ‘covered fuel’
7 means crude oil, natural gas, coal, solid biomass, or any
8 other product derived from crude oil, natural gas, or coal
9 which shall be used so as to emit greenhouse gases to the
10 atmosphere.

11 “(f) FULL FUEL CYCLE GREENHOUSE GAS EMIS-
12 SIONS.—The term ‘full fuel cycle greenhouse gas emis-
13 sions’ means the greenhouse gas content of a covered fuel
14 (excluding solid biomass) plus that covered fuel’s up-
15 stream greenhouse gas emissions.

16 “(g) GREENHOUSE GAS.—The term ‘greenhouse gas’
17 has the same meaning given such term under paragraph
18 (3) of section 901 of the Energy Independence and Secu-
19 rity Act of 2007 (42 U.S.C. 17321), and shall include any
20 other gases as identified by rule of the Administrator.

21 “(h) GREENHOUSE GAS CONTENT.—The term
22 ‘greenhouse gas content’ means the amount of greenhouse
23 gases, expressed in metric tons of CO₂-e, which would be
24 emitted to the atmosphere by the use of a covered fuel.

1 “(i) SOLID BIOMASS.—The term ‘solid biomass’
 2 means nonfossilized and biodegradable organic material
 3 originating from plants, animals or microorganisms, in-
 4 cluding products, byproducts, residues and waste from ag-
 5 riculture, forestry and related industries as well as the
 6 nonfossilized and biodegradable organic fractions of indus-
 7 trial and municipal wastes, but does not include gases and
 8 liquids recovered from the decomposition of nonfossilized
 9 and biodegradable organic material.

10 “(j) UNITED STATES.—The term ‘United States’
 11 shall be treated as including each possession of the United
 12 States (including the Commonwealth of Puerto Rico and
 13 the Commonwealth of the Northern Mariana Islands).

14 **“SEC. 4692. CARBON FEE.**

15 “(a) CARBON FEE.—There is hereby imposed a car-
 16 bon fee on any covered entity’s use, sale, or transfer of
 17 any covered fuel.

18 “(b) AMOUNT OF THE CARBON FEE.—The carbon
 19 fee imposed by this section is an amount equal to—

20 “(1) the greenhouse gas content of the covered
 21 fuel, multiplied by

22 “(2) the carbon fee rate.

23 “(c) CARBON FEE RATE.—For purposes of this sec-
 24 tion—

1 “(1) IN GENERAL.—The carbon fee rate, with
2 respect to any use, sale, or transfer during a cal-
3 endar year, shall be—

4 “(A) in the case of calendar year 2020,
5 \$15, and

6 “(B) except as provided in paragraph (2),
7 in the case of any calendar year thereafter, the
8 carbon fee rate in effect under this subsection
9 for the preceding calendar year, plus \$15.

10 “(2) EXCEPTIONS.—

11 “(A) INCREASED CARBON FEE RATE
12 AFTER MISSED ANNUAL EMISSIONS REDUCTION
13 TARGET.—In the case of any year immediately
14 following a year for which the Secretary deter-
15 mines under 4693(b) that the emissions of
16 greenhouse gases from covered fuels exceeded
17 the emissions reduction target for the previous
18 year, paragraph (1)(B) shall be applied by sub-
19 stituting ‘\$30’ for ‘\$15’.

20 “(B) CESSATION OF CARBON FEE RATE IN-
21 CREASE AFTER CERTAIN EMISSION REDUCTIONS
22 ACHIEVED.—In the case of any year imme-
23 diately following a year for which the Secretary
24 determines under 4693(b) that emissions of
25 greenhouse gases from covered fuels are not

1 more than 10 percent of the greenhouse gas
2 emissions from covered fuels during the year
3 2017, paragraph (1)(B) shall be applied by sub-
4 stituting ‘\$0’ for ‘\$15’.

5 “(d) SOLID BIOMASS.—For purposes of subsection
6 (b), in the case of a covered fuel which consists of solid
7 biomass, the greenhouse gas content of such covered fuel
8 shall be determined by the Administrator based on the
9 lifecycle greenhouse gas emissions of such fuel, as defined
10 in section 211(o)(1)(H) of the Clean Air Act (42 U.S.C.
11 7545(o)(1)(H)).

12 “(e) EXEMPTION AND REFUND.—The Secretary shall
13 prescribe such rules as are necessary to ensure the carbon
14 fee imposed by this section is not imposed with respect
15 to any nonemitting use, or any sale or transfer for a non-
16 emitting use, including rules providing for the refund of
17 any carbon fee paid under this section with respect to any
18 such use, sale, or transfer.

19 “(f) ADMINISTRATIVE AUTHORITY.—The Secretary,
20 in consultation with the Administrator, shall prescribe
21 such regulations, and other guidance, to assess and collect
22 the carbon fee imposed by this section, including—

23 “(1) requirements for the quarterly payment of
24 such fees, and

1 “(2) rules to ensure that no covered fuel has
2 the carbon fee or the carbon border fee adjustment
3 imposed upon it more than once.

4 **“SEC. 4693. EMISSIONS REDUCTION SCHEDULE.**

5 “(a) IN GENERAL.—An emissions reduction schedule
6 for greenhouse gas emissions from covered fuels is hereby
7 established, as follows:

8 “(1) REFERENCE YEAR.—

9 “(A) IN GENERAL.—Subject to subpara-
10 graph (B), the greenhouse gas emissions from
11 covered fuels during the year 2017 shall be the
12 reference amount of emissions and shall be de-
13 termined from the ‘Inventory of U.S. Green-
14 house Gas Emissions and Sinks: 1990–2017’
15 published by the Environmental Protection
16 Agency in April of 2019.

17 “(B) UPDATES.—If the greenhouse gas
18 emissions from covered fuels during the year
19 2017 is revised by the Administrator in a sub-
20 sequent report, the amount of such emissions
21 contained in such report shall apply for pur-
22 poses of this section.

23 “(2) EMISSIONS REDUCTION TARGETS.—

24 “(A) 2020 THROUGH 2030.—The emissions
25 reduction target for each calendar year during

1 the period of calendar years 2020 through 2030
2 shall be determined as follows:

“Year	Emissions Reduction Target
2017	Reference year
2020	90 percent of 2017 emissions
2021	81 percent of 2017 emissions
2022	74 percent of 2017 emissions
2023	68 percent of 2017 emissions
2024	63 percent of 2017 emissions
2025	59 percent of 2017 emissions
2026	56 percent of 2017 emissions
2027	52 percent of 2017 emissions
2028	50 percent of 2017 emissions
2029	47 percent of 2017 emissions
2030	45 percent of 2017 emissions

3 “(B) 2031 THROUGH 2050.—The emissions
4 reduction target for each calendar year during
5 the period of calendar years 2031 through 2050
6 shall be equal to the emissions reduction target
7 for the preceding year reduced by an amount
8 equal to 2.25 percent of 2017 emissions.

9 “(b) ADMINISTRATIVE DETERMINATION.—Not later
10 than 90 days after the beginning of each calendar year
11 beginning after the date of the enactment of this section,
12 the Secretary, in consultation with the Administrator,
13 shall determine whether emissions of greenhouse gases

1 from covered fuels exceeded the emissions reduction target
2 for the preceding calendar year. The Secretary shall make
3 such determination using the same greenhouse gas ac-
4 counting method as was used to determine the greenhouse
5 gas emissions in the ‘Inventory of U.S. Greenhouse Gas
6 Emissions and Sinks: 1990–2017’ published by the Envi-
7 ronmental Protection Agency in April of 2019.

8 **“SEC. 4694. FEE ON FLUORINATED GREENHOUSE GASES.**

9 “(a) **FLUORINATED GAS FEE.**—A fee is hereby im-
10 posed upon any fluorinated greenhouse gas which is re-
11 quired to be reported under part 98 of title 40, Code of
12 Federal Regulations.

13 “(b) **AMOUNT.**—The fee to be paid by the covered
14 entity required to so report shall be an amount equal to—

15 “(1) the total amount, in metric tons of CO₂-
16 e, of emitted fluorinated greenhouse gases (or, in the
17 case of a supplier, emissions that would result deter-
18 mined under the rules of such part), multiplied by

19 “(2) an amount equal to 20 percent of the car-
20 bon fee rate in effect under section 4692(c)(1) for
21 the calendar year of such emission.

22 “(c) **ADMINISTRATIVE AUTHORITY.**—The Secretary,
23 in consultation with the Administrator, shall prescribe
24 such regulations, and other guidance, to assess and collect
25 the carbon fee imposed by this section, including—

1 “(1) requirements for the quarterly payment of
2 such fees, and

3 “(2) rules to ensure that no covered fuel has
4 the carbon fee or the carbon border fee adjustment
5 imposed upon it more than once.

6 **“SEC. 4695. CARBON CAPTURE REFUNDS.**

7 “(a) IN GENERAL.—The Secretary, in consultation
8 with the Administrator and the heads of other relevant
9 Federal agencies, shall prescribe regulations for providing
10 payments to any person which captures qualified carbon
11 oxide (as defined in subsection (c) of section 45Q) which
12 is—

13 “(1) disposed of by such person in secure geo-
14 logical storage, as described in subsection (f)(2) of
15 such section,

16 “(2) used by such person as a tertiary injectant
17 in a qualified enhanced oil or natural gas recovery
18 project (as defined in subsection (e)(2) of such sec-
19 tion) and disposed of by such person in secure geo-
20 logical storage, or

21 “(3) utilized by such person in a manner de-
22 scribed in subsection (f)(5) of such section.

23 **“(b) PAYMENTS FOR CARBON CAPTURE.—**

24 “(1) IN GENERAL.—In the case of any indus-
25 trial facility for which carbon capture equipment has

1 been placed in service, the Secretary shall make pay-
2 ments to the owner of such facility in the same man-
3 ner as if such payment was a refund of an overpay-
4 ment of the carbon fee imposed by section 4692.

5 “(2) AMOUNT OF PAYMENT.—The payment de-
6 termined under this subsection shall be an amount
7 equal to—

8 “(A) the metric tons of qualified carbon
9 oxide captured and disposed of, used, or utilized
10 in a manner consistent with subsection (a),
11 multiplied by

12 “(B) the carbon fee rate during the year in
13 which the carbon fee was imposed by section
14 4692 upon the covered fuel to which such car-
15 bon oxide relates.

16 “(3) COORDINATION WITH CREDIT FOR CARBON
17 OXIDE SEQUESTRATION.—At such time that the Sec-
18 retary prescribes regulations implementing this sec-
19 tion, no payment under this section shall be allowed
20 to any person for any unit of carbon oxide for which
21 a credit has been allowed with respect to such unit
22 under section 45Q.

23 “(c) EXCEPTION.—In the case of any industrial facil-
24 ity which is owned by an entity that is determined to be
25 in violation of any applicable air quality regulations, such

1 facility shall not be eligible for any payment under this
 2 section during the period of such violation.

3 **“SEC. 4696. CARBON BORDER FEE ADJUSTMENT.**

4 “(a) IN GENERAL.—The fees imposed by, and re-
 5 funds allowed under, this section shall be referred to as
 6 ‘the carbon border fee adjustment’.

7 “(b) IMPORTED COVERED FUELS FEE.—In the case
 8 of any person that imports into the United States any cov-
 9 ered fuel, there shall be imposed a fee equal to the excess
 10 (if any) of—

11 “(1) an amount equal to—

12 “(A) the amount of full fuel cycle green-
 13 house gas emissions of such fuel, multiplied by

14 “(B) the carbon fee rate in effect for the
 15 year in which such fuel is imported, over

16 “(2) the total foreign cost of carbon carried by
 17 such fuel.

18 “(c) IMPORTED CARBON-INTENSIVE PRODUCTS
 19 FEE.—In the case of any person that imports into the
 20 United States any carbon-intensive products, there shall
 21 be imposed a fee equal to the excess (if any) of—

22 “(1) an amount equal to—

23 “(A) production greenhouse gas emissions
 24 of such product, multiplied by

1 “(B) the carbon fee rate in effect for the
2 year in which the production greenhouse gas
3 emissions of such product were emitted into the
4 atmosphere, over

5 “(2) the total foreign cost of carbon carried by
6 such product.

7 “(d) REFUND ON EXPORTS FROM UNITED
8 STATES.—

9 “(1) CARBON-INTENSIVE PRODUCTS.—Under
10 regulations prescribed by the Secretary, there shall
11 be allowed a credit or refund (without interest) to
12 exporters of carbon-intensive products manufactured
13 or produced in the United States an amount equal
14 to the excess (if any) of—

15 “(A) an amount equal to—

16 “(i) the production greenhouse gas
17 emissions of the exported carbon-intensive
18 product, multiplied by

19 “(ii) the carbon fee rate during the
20 year in which the carbon fee or fluorinated
21 greenhouse gas fee was paid upon the pro-
22 duction greenhouse gas emissions of the
23 exported carbon-intensive product, over

24 “(B) any total cost of carbon to be levied
25 upon the carbon-intensive product by any juris-

1 diction to which the carbon-intensive product is
2 to be imported.

3 Any such credit or refund shall be allowed in the
4 same manner as if it were an overpayment of the fee
5 imposed by section 4692 or 4694. The Secretary
6 shall establish fair, timely, impartial, and as nec-
7 essary confidential procedures by which any exporter
8 of any product from the United States may petition
9 the Secretary to include that exported product on
10 the list of carbon-intensive products.

11 “(2) COVERED FUELS.—Under regulations pre-
12 scribed by the Secretary, in the case of a covered
13 fuel produced in the United States with respect to
14 which the fee under section 4692 was paid, there
15 shall be allowed as a credit or refund (without inter-
16 est) to any exporter of such covered fuels an amount
17 equal to the excess (if any) of—

18 “(A) an amount equal to—

19 “(i) the full fuel cycle greenhouse gas
20 emissions of the covered fuel, multiplied by

21 “(ii) the carbon fee rate at the time
22 the carbon fee was paid upon the full fuel
23 cycle greenhouse gas emissions of the ex-
24 ported covered fuel, over

1 “(B) any total cost of carbon to be levied
2 upon the covered fuel by a jurisdiction to which
3 the carbon-intensive product is to be imported.
4 Any such credit or refund shall be allowed in the
5 same manner as if it were an overpayment of tax
6 imposed by section 4692.

7 “(e) DEFINITIONS.—For purposes of this section and
8 section 4697—

9 “(1) FOREIGN COST OF CARBON; FOREIGN CAR-
10 BON COSTS.—The term ‘foreign cost of carbon’ or
11 ‘foreign carbon cost’ means the cost of any laws of
12 a foreign jurisdiction which impose a system of cap-
13 and-trade with respect to, or a tax or fee on, green-
14 house gas. Such cost shall be determined and ex-
15 pressed as a price per ton of CO₂-e.

16 “(2) PRODUCTION GREENHOUSE GAS EMIS-
17 SIONS.—The term ‘production greenhouse gas emis-
18 sions’ means the quantity of greenhouse gases, ex-
19 pressed in metric tons of CO₂-e, emitted to the at-
20 mosphere resulting from, nonexclusively, the produc-
21 tion, manufacture, assembly, transportation, or fi-
22 nancing of a product.

23 “(3) TOTAL COST OF CARBON CARRIED.—The
24 term ‘total cost of carbon carried’ means an amount
25 equal to—

1 “(A) the production greenhouse gas emis-
2 sions of a carbon-intensive product or the full
3 fuel cycle greenhouse gas emissions of a covered
4 fuel, multiplied by

5 “(B) the cost of carbon with respect to
6 such product or fuel, reduced by any amount
7 refunded with respect to such product or fuel
8 by a foreign jurisdiction.

9 The total cost of carbon carried shall be expressed
10 as price in United States dollars.

11 “(4) TOTAL FOREIGN COST OF CARBON CAR-
12 RIED.—The term ‘total foreign cost of carbon car-
13 ried’ means an amount equal to—

14 “(A) the production greenhouse gas emis-
15 sions of a carbon-intensive product, or the full
16 fuel cycle greenhouse gas emissions of a covered
17 fuel, multiplied by

18 “(B) the foreign cost of carbon with re-
19 spect to such product or fuel, reduced by the
20 amount refunded with respect to such product
21 or fuel by a foreign jurisdiction.

22 The total foreign cost of carbon carried shall be ex-
23 pressed as price in United States dollars.

24 “(5) UPSTREAM GREENHOUSE GAS EMIS-
25 SIONS.—The term ‘upstream greenhouse gas emis-

1 sions’ means the quantity of greenhouse gases, ex-
2 pressed in metric tons of CO₂-e, emitted to the at-
3 mosphere resulting from, nonexclusively, the extrac-
4 tion, processing, transportation, financing, or other
5 preparation of a covered fuel for use.

6 **“SEC. 4697. ADMINISTRATION OF THE CARBON BORDER**
7 **FEE ADJUSTMENT.**

8 “(a) IN GENERAL.—The Secretary, in consultation
9 with the Administrator, shall prescribe regulations and
10 guidance which implement the carbon border fee adjust-
11 ment under section 4696.

12 “(b) COLLABORATION.—In determining the produc-
13 tion greenhouse gas emissions of an imported carbon-in-
14 tensive product, the upstream greenhouse gas emissions
15 of an imported covered fuel, the full fuel cycle greenhouse
16 gas emissions of an imported covered fuel, or the foreign
17 cost of carbon, or otherwise administering the carbon bor-
18 der fee adjustment, it is the sense of Congress that the
19 Secretary should collaborate with authorized officers of
20 any jurisdiction, including sub-national governments, af-
21 fected by the carbon border fee adjustment.

22 “(c) METHODOLOGY.—In determining the production
23 greenhouse gas emissions of an imported carbon-intensive
24 product, the upstream greenhouse gas emissions of an im-
25 ported covered fuel, the full fuel cycle greenhouse gas

1 emissions of an imported covered fuel, or the foreign cost
2 of carbon, the Secretary shall use reliable methodologies,
3 which—

4 “(1) as may be necessary or convenient—

5 “(A) distinguish between different types of
6 covered fuels,

7 “(B) distinguish between a covered fuel’s
8 greenhouse gas content and that covered fuel’s
9 upstream greenhouse gas emissions,

10 “(C) distinguish between the different
11 types of greenhouse gas emissions which com-
12 pose a covered fuel’s upstream greenhouse gas
13 emissions or greenhouse gas content, as well as
14 the various processes which produced those
15 emissions, and

16 “(D) distinguish between the different
17 types of greenhouse gas emissions which com-
18 pose a carbon-intensive product’s production
19 greenhouse gas emissions, as well as the various
20 processes which produced those emissions,

21 “(2) ensure that no covered fuel, covered
22 fluorinated greenhouse gas, or carbon-intensive prod-
23 uct has the carbon fee, the fluorinated greenhouse
24 gas fee, or the border fee adjustment imposed upon
25 it more than once,

1 “(1) to U.S. Customs and Border Protection, in
2 such amounts as are necessary to administer the
3 carbon border fee adjustment,

4 “(2) from the amounts remaining following pay-
5 ment of the expenses described in paragraph (1), to
6 the Department of Treasury, in such amounts as are
7 necessary to allow refunds under section 4696(e) to
8 exporters of carbon-intensive products and exporters
9 of covered fuels, and

10 “(3) from the amounts remaining following pay-
11 ment of the expenses described in paragraphs (1)
12 and (2)—

13 “(A) to the Department of State and the
14 United States Agency for International Devel-
15 opment for programs to address climate mitiga-
16 tion and adaptation in developing countries, in-
17 cluding contributions to the Green Climate
18 Fund, and

19 “(B) to the Export-Import Bank of the
20 United States to facilitate exportation of clean
21 energy technologies”.

22 (b) PAYMENTS TO FARMERS AND LANDOWNERS FOR
23 NATURE-BASED PROJECTS.—

24 (1) IN GENERAL.—The Secretary of Agri-
25 culture, in consultation with the Administrator of

1 the Environmental Protection Agency, shall provide
2 payments to farmers and landowners within the
3 United States to implement carbon sequestration
4 projects with measurable greenhouse gas reduction
5 benefits or other nature-based projects that reduce
6 greenhouse gas emissions, including projects for—

7 (A) ecologically-appropriate reforestation,

8 (B) restoration of wetlands,

9 (C) agricultural practices such as the
10 usage of cover crops, no till, and practices that
11 can reduce emissions from livestock, fertilizers,
12 and rice cultivation, and

13 (D) other appropriate practices as deter-
14 mined by the Secretary of Agriculture.

15 (2) AMOUNT OF PAYMENT.—Not later than 180
16 days after the date of enactment of this Act, the
17 Secretary of Agriculture, in consultation with the
18 Administrator of the Environmental Protection
19 Agency, shall issue regulations to determine the
20 amount of a payment under paragraph (1), taking
21 into account the use of certified third-party reg-
22 istries for verification of emissions reductions and
23 provisions for addressing the potential imperma-
24 nence of carbon sequestration in biomass and soils.

1 (c) PAYMENTS FOR DIRECT AIR CAPTURE OF CAR-
2 BON DIOXIDE.—

3 (1) IN GENERAL.—Subject to paragraph (3),
4 the Secretary of Energy, in consultation with the
5 Administrator of the Environmental Protection
6 Agency and the heads of any other relevant agen-
7 cies, shall make payments to any direct air capture
8 facility (as defined in section 45Q(e)(1) of the Inter-
9 nal Revenue Code of 1986) within the United States
10 that uses carbon capture equipment to capture car-
11 bon dioxide directly from the ambient air and dis-
12 poses of such carbon dioxide in secure geological
13 storage (as described in section 45Q(f)(2) of such
14 Code).

15 (2) PAYMENT AMOUNT.—A payment under
16 paragraph (1) shall be in an amount equal to the
17 product obtained by multiplying—

18 (A) the metric tons of carbon dioxide cap-
19 tured and disposed of by the facility; and

20 (B) the carbon fee rate in effect during the
21 calendar year preceding the year in which the
22 capture of such carbon dioxide occurs.

23 (3) EXCEPTION.—In the case of any direct air
24 capture facility which is owned by an entity that is
25 determined to be in violation of any applicable air

1 quality regulations, such facility shall not be eligible
2 for any payment under this section during the period
3 of such violation.

4 (4) COORDINATION WITH CREDIT FOR CARBON
5 DIOXIDE SEQUESTRATION.—The Secretary of En-
6 ergy shall not make a payment under this subsection
7 with respect to any facility for any unit of carbon di-
8 oxide for which a credit has been allowed with re-
9 spect to such unit under section 45Q of the Internal
10 Revenue Code of 1986.

11 (d) COORDINATION WITH CARBON OXIDE SEQUES-
12 TRATION CREDIT.—Section 45Q(f) is amended by adding
13 at the end the following new paragraph:

14 “(8) COORDINATION WITH CARBON CAPTURE
15 AND SEQUESTRATION PAYMENTS.—No credit shall
16 be allowed under this section with respect to any
17 unit of carbon oxide which has received any refund
18 or payment with respect to such unit under section
19 3(c) of the Climate Action Rebate Act of 2019 or
20 section 4695.”.

21 (e) INTERNATIONAL NEGOTIATIONS.—The Congress
22 finds the international mitigation of greenhouse gas emis-
23 sions to be of national importance. Therefore, the Con-
24 gress encourages the Secretary of State, or the Secretary’s
25 designee, to commence and complete negotiations with

1 other nations with the goal of forming treaties, environ-
 2 mental agreements, accords, partnerships, or any other in-
 3 strument that effectively reduces global greenhouse gas
 4 emissions to 10 percent of 2017 levels by 2050 and which
 5 respect the principle of common but differentiated respon-
 6 sibilities and respective capabilities.

7 **SEC. 4. ESTABLISHMENT OF THE CLIMATE ACTION REBATE**
 8 **FUND.**

9 (a) IN GENERAL.—Subchapter A of chapter 98 of the
 10 Internal Revenue Code of 1986 is amended by adding at
 11 the end the following:

12 **“SEC. 9512. CLIMATE ACTION REBATE FUND.**

13 “(a) ESTABLISHMENT AND FUNDING.—There is
 14 hereby established in the Treasury of the United States
 15 a trust fund to be known as the ‘Climate Action Rebate
 16 Fund’, consisting of such amounts as may be appropriated
 17 to such trust fund as provided for in this section.

18 “(b) TRANSFERS TO THE CLIMATE ACTION REBATE
 19 FUND.—There is hereby appropriated to the Climate Ac-
 20 tion Rebate Fund amounts equal to the fees received into
 21 the Treasury less any amounts refunded or paid under
 22 sections 4692(d) and 4695 for each month.

23 “(c) EXPENDITURES.—Amounts in the trust fund
 24 shall be available for the following purposes:

1 “(1) CARBON FEE ADMINISTRATIVE EX-
2 PENSES.—So much of the expenses as are necessary
3 to administer sections 4692 through 4695 for any
4 year as does not to exceed 0.60 percent of the
5 amounts appropriated to the Climate Action Rebate
6 Fund for the previous year.

7 “(2) CLIMATE ACTION REBATE FUND ADMINIS-
8 TRATIVE EXPENSES.—So much of the expenses nec-
9 essary to administer the Climate Action Rebate
10 Fund for each year, as does not exceed—

11 “(A) in the case of the first 5 fiscal years
12 ending after the date of the enactment of this
13 section, the administrative expenses for any
14 year may not exceed 5 percent of amounts ap-
15 propriated to the Climate Action Rebate Fund
16 during such year, and

17 “(B) in the case of any fiscal year there-
18 after, 1.5 percent of the 5-year rolling average
19 of the amounts appropriated to the Climate Ac-
20 tion Rebate Fund.

21 “(3) CLIMATE ACTION REBATE PAYMENTS.—

22 “(A) IN GENERAL.—For each fiscal year,
23 the amounts remaining in the Climate Action
24 Rebate Fund following payment of expenses

1 under paragraphs (1) and (2) shall be appor-
2 tioned as follows:

3 “(i) 70 percent of such amounts for
4 the purposes described in subsection (d),

5 “(ii) 20 percent of such amounts for
6 the purposes described in subsection (e),

7 “(iii) 5 percent of such amounts for
8 the purposes described in subsection (f),
9 and

10 “(iv) 5 percent of such amounts for
11 the purposes described in subsection (g).

12 “(d) CARBON DIVIDEND.—

13 “(1) IN GENERAL.—From the amounts in the
14 Carbon Dividend Trust Fund made available under
15 subsection (c)(3)(A)(i) for any year, the Secretary
16 shall, for each month beginning more than 270 days
17 after the date of the enactment of the Climate Ac-
18 tion Rebate Act of 2019, make carbon dividend pay-
19 ments to each eligible individual.

20 “(2) PRO-RATA SHARE.—A carbon dividend
21 payment is one pro-rata share for each adult and
22 half a pro-rata share for each child under 19 years
23 old of amounts available for the month in the Cli-
24 mate Action Rebate Fund.

1 “(3) ELIGIBLE INDIVIDUAL.—The term ‘eligible
2 individual’ means, with respect to any month, any
3 natural living person who has a valid Social Security
4 number or taxpayer identification number and is a
5 citizen or lawful resident of the United States. The
6 Secretary is authorized to verify an individual’s eligi-
7 bility to receive a carbon dividend payment.

8 “(4) PHASEOUT.—

9 “(A) IN GENERAL.—In the case of any
10 taxpayer whose modified adjusted gross income
11 for the most recent taxable year for which a re-
12 turn has been filed exceeds the threshold
13 amount, the amount of the carbon dividend oth-
14 erwise payable to any household member of the
15 taxpayer under this subsection shall be reduced
16 (but not below zero) by a dollar amount equal
17 to 5 percent of such dividend (as determined
18 before application of this paragraph) for each
19 \$1,000 (or fraction thereof) by which such tax-
20 payer’s modified adjusted gross income exceeds
21 the threshold amount.

22 “(B) DEFINITIONS.—For purposes of this
23 paragraph—

24 “(i) MODIFIED ADJUSTED GROSS IN-
25 COME.—The term ‘modified adjusted gross

1 income' means adjusted gross income in-
2 creased by any amount excluded from
3 gross income under section 911, 931, or
4 933.

5 “(ii) HOUSEHOLD MEMBER.—The
6 term ‘household member of the taxpayer’
7 means the taxpayer, the taxpayer’s spouse,
8 and any dependent of the taxpayer.

9 “(iii) THRESHOLD AMOUNT.—The
10 term ‘threshold amount’ means—

11 “(I) \$130,000 in the case of a
12 joint return,

13 “(II) \$80,000 in the case of an
14 individual who is not married, and

15 “(III) \$65,000 in the case of a
16 married individual filing a separate
17 return.

18 “(C) REGULATIONS.—The Secretary shall
19 prescribe such regulations, and other guidance,
20 as may be necessary to carry out the purposes
21 of this paragraph, including establishment of
22 rules for eligible individuals who have not filed
23 a recent tax return.

1 “(5) FEE TREATMENT OF PAYMENTS.—
2 Amounts paid under this subsection shall be includ-
3 ible in gross income.

4 “(6) FEDERAL PROGRAMS AND FEDERAL AS-
5 SISTED PROGRAMS.—The carbon dividend amount
6 received by any eligible individual shall not be taken
7 into account as income and shall not be taken into
8 account as resources for purposes of determining the
9 eligibility of such individual or any other individual
10 for benefits or assistance, or the amount or extent
11 of benefits or assistance, under any Federal program
12 or under any State or local program financed in
13 whole or in part with Federal funds.

14 “(7) ADVANCE PAYMENT.—The Secretary shall
15 transfer to the Climate Action Rebate Fund such
16 amounts as are necessary for the disbursement of an
17 advanced carbon dividend to all eligible individuals
18 as follows:

19 “(A) An advanced carbon dividend shall be
20 the same as the anticipated first carbon divi-
21 dend required to be distributed under para-
22 graph (1) and shall be distributed the month
23 prior to the first collection of the carbon fee.

24 “(B) Total amounts disbursed as advanced
25 carbon dividends shall be deducted from the

1 carbon dividends on a pro-rata basis over the
2 first 3 years after the disbursement of the first
3 carbon dividends.

4 “(e) INFRASTRUCTURE.—From the amounts in the
5 Carbon Dividend Trust Fund made available under sub-
6 section (c)(3)(A)(ii) for any year, the Secretary shall
7 transfer such amounts as follows:

8 “(1) 50 percent to the Highway Trust Fund
9 under section 9503, with—

10 “(A) 80 percent of such amount allocated
11 to the Highway Account for the payment of ob-
12 ligations incurred in carrying out Federal-aid
13 highway and highway safety construction pro-
14 grams authorized under title 23, United States
15 Code, and

16 “(B) 20 percent of such amount allocated
17 to the Mass Transit Account for the payment of
18 obligations incurred in carrying out transit pro-
19 grams authorized under—

20 “(i) chapter 53 of title 49, United
21 States Code,

22 “(ii) section 20005(b) of the Federal
23 Public Transportation Act of 2012 (49
24 U.S.C. 5303 note; Public Law 112–141),
25 and

1 “(iii) section 3006(b) of the Federal
2 Public Transportation Act of 2015 (49
3 U.S.C. 5310 note; Public Law 114–94).

4 “(2) 2.5 percent to the Department of Trans-
5 portation for national infrastructure investments for
6 innovative multimodal projects (also known as the
7 Better Utilizing Investments to Leverage Develop-
8 ment (BUILD) Transportation discretionary grant
9 program).

10 “(3) 2.5 percent to the Department of Trans-
11 portation to make grants to the National Railroad
12 Passenger Corporation for intercity passenger rail
13 infrastructure, as authorized by section 11101 of the
14 Passenger Rail Reform and Investment Act of 2015
15 (title XI of division A of Public Law 114–94) and
16 sections 22907 and 24911 of title 49, United States
17 Code.

18 “(4) 5 percent to the Airport and Airway Trust
19 Fund under section 9502 for the payment of obliga-
20 tions incurred in carrying out aviation programs au-
21 thorized under subtitle VII of title 49, United States
22 Code.

23 “(5) 2.5 percent to the Department of Trans-
24 portation to support deployment of alternative fuel

1 vehicles, including electric vehicle charging stations
2 and hydrogen fueling infrastructure.

3 “(6) 5 percent to the Environmental Protection
4 Agency for drinking water infrastructure programs
5 under the Safe Drinking Water Act (42 U.S.C. 300f
6 et seq.) and wastewater and clean water infrastruc-
7 ture programs under the Federal Water Pollution
8 Control Act (33 U.S.C. 1251 et seq.).

9 “(7) 2.5 percent to the Secretary of Agriculture
10 for rural water or wastewater grants or direct or
11 guaranteed loans under the Consolidated Farm and
12 Rural Development Act (7 U.S.C. 1921 et seq.).

13 “(8) 1.5 percent to the Federal Communica-
14 tions Commission to expand broadband access in
15 rural areas.

16 “(9) 5 percent to the Army Corps of Engineers
17 for water resources development projects.

18 “(10) 2.5 percent for the Community Develop-
19 ment Block Grant program under title I of the
20 Housing and Community Development Act of 1974
21 (42 U.S.C. 5401 et seq.) to assist States, units of
22 general local government, and Indian tribes, as those
23 terms are defined in section 101 of such Act (42
24 U.S.C. 5301), with planning and implementation of
25 projects to support lowering emissions, and climate

1 impact adaptation, including improving infrastruc-
2 ture resilience, increasing transit and housing den-
3 sity, and local economic development.

4 “(11) 2.5 percent to the National Oceanic and
5 Atmospheric Administration for coastal resiliency
6 programs and ocean observing and monitoring pro-
7 grams.

8 “(12) 2.5 percent to the Department of the In-
9 terior for maintenance and infrastructure upgrades
10 on public land.

11 “(13) 1.5 percent to the Hazardous Substance
12 Superfund established under section 9507.

13 “(14) 1.5 percent to the Abandoned Mine Rec-
14 lamation Fund created by section 401 of the Surface
15 Mining Control and Reclamation Act of 1977 (30
16 U.S.C. 1231).

17 “(15) Notwithstanding subsection (b)(2) of sec-
18 tion 303 of Public Law 96–451 (16 U.S.C. 1606a),
19 1.5 percent to the Reforestation Trust Fund estab-
20 lished by subsection (a) of that section.

21 “(16) 2.5 percent to the Department of Energy
22 for energy efficiency programs, including—

23 “(A) the Weatherization Assistance Pro-
24 gram for Low-Income Persons established
25 under part A of title IV of the Energy Con-

1 servation and Production Act (42 U.S.C. 6861
2 et seq.),

3 “(B) State energy programs,

4 “(C) the Clean Cities program,

5 “(D) support for efficiency upgrades, in-
6 cluding energy savings performance contracting,
7 in Federal buildings, and

8 “(E) the creation and initial funding of an
9 Energy Efficiency State Revolving Fund, to be
10 modeled after—

11 “(i) State water pollution control re-
12 volving funds established under title VI of
13 the Federal Water Pollution Control Act
14 (33 U.S.C. 1381 et seq.), and

15 “(ii) State drinking water treatment
16 revolving loan funds established under sec-
17 tion 1452 of the Safe Drinking Water Act
18 (42 U.S.C. 300j–12).

19 “(17) 2.5 percent to the Secretary of Health
20 and Human Services for a new program within the
21 partnerships for State and regional hospital pre-
22 paredness program under section 319C–2 of the
23 Public Health Service Act (42 U.S.C. 247d–3b) to
24 fund infrastructure and facility improvements that
25 support the climate resiliency and preparedness of

1 hospitals and community health centers, including
2 priority support for critical access hospitals (as de-
3 fined in section 1861(mm)(1) of the Social Security
4 Act (42 U.S.C. 1395x(mm)(1)), safety net hospitals
5 (as defined by the Center for Medicare and Medicaid
6 Innovation), and community health centers in places
7 experiencing heavy air pollution.

8 “(18) 2.5 percent to the Secretary of Veterans
9 Affairs to support resiliency and preparedness for
10 Department of Veterans Affairs medical facilities.

11 “(19) 1.5 percent to the Secretary of Agri-
12 culture for—

13 “(A) energy programs under title IX of the
14 Farm Security and Rural Investment Act of
15 2002 (7 U.S.C. 8101 et seq.), and

16 “(B) watershed and flood prevention oper-
17 ations under the Watershed Protection and
18 Flood Prevention Act (16 U.S.C. 1001 et seq.)
19 and the Act of December 22, 1944 (commonly
20 known as the ‘Flood Control Act of 1944’) (58
21 Stat. 887, chapter 665; 33 U.S.C. 701–1 et
22 seq.).

23 “(20) 2.5 percent to the Secretary of Agri-
24 culture for the program established under section
25 3(b) of the Climate Action Rebate Act of 2019.

1 “(f) INNOVATION.—

2 “(1) IN GENERAL.—From the amounts in the
3 Carbon Dividend Trust Fund made available under
4 subsection (c)(3)(A)(iii) for any year, the Secretary
5 shall transfer such amounts to the Secretary of En-
6 ergy to carry out the purposes described in para-
7 graph (2).

8 “(2) EXPENDITURES.—The Secretary of En-
9 ergy shall use the funds transferred under para-
10 graph (1) to support high-impact research, develop-
11 ment, demonstration, technology transfer, and com-
12 mercialization of technologies that reduce or elimi-
13 nate greenhouse gas emissions, including—

14 “(A) energy storage technologies, including
15 grid integration of storage,

16 “(B) carbon capture, utilization, and se-
17 questration, including direct air capture,

18 “(C) next-generation nuclear technologies,

19 “(D) energy efficiency, including in build-
20 ings and the industrial sector,

21 “(E) electric grid modernization,

22 “(F) sustainable transportation, including
23 hydrogen fuel cell and electric vehicles, and

1 “(G) the direct air capture program estab-
2 lished under section 3(c) of the Climate Action
3 Rebate Act of 2019.

4 “(3) SPECIFIC PROGRAMS.—In carrying out
5 paragraph (2), the Secretary of Energy shall include
6 support for offices under the Department of Energy
7 and programs that support commercialization and
8 innovative collaboration, including Advanced Re-
9 search Projects Agency-Energy, the Loan Programs
10 Office, energy innovation hubs, energy frontier re-
11 search centers, regionally centered innovation pro-
12 grams, and the Manufacturing USA network.

13 “(4) COLLABORATION WITH OTHER AGEN-
14 CIES.—The Secretary of Energy shall collaborate
15 with other appropriate agencies, including by shar-
16 ing the funds transferred under paragraph (1), to
17 support overlapping areas of innovation, including—

18 “(A) biomass and bioenergy with the De-
19 partment of Agriculture,

20 “(B) nature-based solutions for carbon se-
21 questration with the Departments of Agri-
22 culture, Commerce, and the Interior,

23 “(C) export of technologies that will help
24 other countries reduce or eliminate greenhouse

1 gas emissions with the Departments of Com-
2 merce and State, and

3 “(D) other such collaborations as deter-
4 mined necessary by the Secretary of Energy to
5 achieve the goals outlined in paragraph (2).

6 “(g) TRANSITION ASSISTANCE.—From the amounts
7 in the Carbon Dividend Trust Fund made available under
8 subsection (c)(3)(A)(iv) for any year, the Secretary shall
9 transfer such amounts as follows:

10 “(1) 40 percent to the Department of Labor for
11 the establishment and initial funding of a program,
12 to be modeled after the trade adjustment assistance
13 for workers program under chapter 2 of title II of
14 the Trade Act of 1974 (19 U.S.C. 2271 et seq.), to
15 assist workers in industries that may be displaced as
16 a result of the fees imposed under sections 4692 and
17 4694, including assistance with respect to—

18 “(A) wage insurance,

19 “(B) relocation expenses,

20 “(C) early retirement,

21 “(D) pension and health benefits, including
22 (if applicable) the 1974 UMWA Pension Plan
23 (as defined in section 9701(a)(3)),

24 “(E) worker retraining, and

1 “(F) other assistance that the Secretary of
2 Labor determines appropriate.

3 “(2) 20 percent to the Department of Energy
4 to make grants to States, territories, and tribes in
5 order to assist communities facing significantly in-
6 creased energy costs as a result of the fees imposed
7 under sections 4692 and 4694, in particular rural
8 and low-income communities.

9 “(3) 10 percent to the Department of Health
10 and Human Services for the low-income home en-
11 ergy assistance program established under the Low-
12 Income Home Energy Assistance Act of 1981 (42
13 U.S.C. 8621 et seq.).

14 “(4) 30 percent to the Economic Development
15 Administration for programs that support economic
16 development and diversity in communities and areas
17 dependent on industries that may be affected by the
18 fees imposed under sections 4692 and 4694, includ-
19 ing—

20 “(A) the Economic Adjustment Assistance
21 Program, and

22 “(B) Partnerships for Opportunity and
23 Workforce and Economic Revitalization.

24 “(h) FUNDING REQUIREMENTS.—

1 “(1) IN GENERAL.—All uses of funding trans-
2 ferred under subsection (e) through (g) shall be in
3 accordance with practices that protect American
4 manufacturing, pay prevailing wages and benefits,
5 and further reduce emissions when possible.

6 “(2) USE OF AMERICAN GOODS.—

7 “(A) IN GENERAL.—None of the funds
8 made available by this section may be used for
9 a project for the construction, alteration, main-
10 tenance, or repair of a public building or public
11 work unless all of the iron, steel, cement, and
12 manufactured goods used in the project are
13 produced in the United States.

14 “(B) EXCEPTION.—Subparagraph (A)
15 shall not apply in any case or category of cases
16 in which the head of the Federal department or
17 agency involved finds that—

18 “(i) applying subparagraph (A) would
19 be inconsistent with the public interest,

20 “(ii) iron, steel, cement, and the rel-
21 evant manufactured goods are not pro-
22 duced in the United States in sufficient
23 and reasonably available quantities and of
24 a satisfactory quality, or

1 “(iii) inclusion of iron, steel, cement,
2 and manufactured goods produced in the
3 United States will increase the cost of the
4 overall project by more than 25 percent.

5 “(C) PUBLICATION.—If the head of a Fed-
6 eral department or agency determines that it is
7 necessary to waive the application of subpara-
8 graph (A) based on a finding under subpara-
9 graph (B), the head of the department or agen-
10 cy shall publish in the Federal Register a de-
11 tailed written justification as to why the provi-
12 sion is being waived.

13 “(D) INTERNATIONAL AGREEMENTS.—
14 This section shall be applied in a manner con-
15 sistent with United States obligations under
16 international agreements.

17 “(3) WAGE RATE REQUIREMENTS.—Notwith-
18 standing any other provision of law, all laborers and
19 mechanics employed by contractors and subcontractors
20 on projects funded directly by or assisted in
21 whole or in part by the Climate Act Rebate Fund
22 shall be paid wages at rates not less than those pre-
23 vailing on projects of a similar character in the lo-
24 cality as determined by the Secretary of Labor in ac-
25 cordance with subchapter IV of chapter 31 of title

1 40, United States Code. With respect to the labor
2 standards specified in this paragraph, the Secretary
3 of Labor shall have the authority and functions set
4 forth in Reorganization Plan Numbered 14 of 1950
5 (64 Stat. 1267; 5 U.S.C. App.) and section 3145 of
6 title 40, United States Code.

7 “(4) ENERGY EFFICIENCY STATE REVOLVING
8 FUND.—For fiscal year 2020 and each fiscal year
9 thereafter, the labor standards specified in para-
10 graph (3) shall apply to projects assisted in whole or
11 in part with recycled funds, including principal re-
12 payments and interest earnings, made available by
13 the Energy Efficiency State Revolving Fund estab-
14 lished pursuant to subsection (e)(16)(E).

15 “(5) EMISSIONS REDUCTIONS.—Whenever pos-
16 sible, materials used for projects funded by this sec-
17 tion shall be chosen with respect to minimizing their
18 lifecycle emissions, as determined by the Adminis-
19 trator.

20 “(6) NATURAL INFRASTRUCTURE.—Whenever
21 possible, projects funded by subsection (e) shall
22 prioritize consideration of natural features and na-
23 ture-based features, as defined in section 1184(a) of
24 the Water Infrastructure Improvements for the Na-
25 tion Act (33 U.S.C. 2289a(a)).

1 “(i) SUNSET.—

2 “(1) IN GENERAL.—For any fiscal year begin-
3 ning after the date on which the Secretary deter-
4 mines that—

5 “(A) pursuant to section 4693, the emis-
6 sions of greenhouse gases from covered fuels for
7 the most recent calendar year is equal to or less
8 than 10 percent of the greenhouse gas emis-
9 sions from covered fuels for calendar year 2017;
10 and

11 “(B) the monthly carbon dividend payment
12 made to an adult who is an eligible individual
13 pursuant to subsection (d) has been less than
14 \$20 for the preceding 3 calendar years,

15 no amounts may be transferred from Climate Action
16 Rebate Fund for any purpose described in sub-
17 section (e)(3), and any amounts remaining in the
18 Climate Action Rebate Fund shall be transferred to
19 the general fund of the Treasury of the United
20 States.

21 “(2) INFLATION ADJUSTMENT.—In the case of
22 any year beginning after 2020, the dollar amount
23 under paragraph (1)(B) shall be increased by an
24 amount equal to—

25 “(A) such dollar amount, multiplied by

1 “(B) the cost-of-living adjustment deter-
2 mined under section 1(f)(3) for the calendar
3 year in which the taxable year begins, deter-
4 mined by substituting ‘calendar year 2017’ for
5 ‘calendar year 2016’ in subparagraph (A)(ii)
6 thereof.

7 “(j) ADMINISTRATIVE AUTHORITY.—The Secretary,
8 in coordination with the heads of other relevant Federal
9 agencies, shall promulgate rules, guidance, and regula-
10 tions useful and necessary to implement the Climate Ac-
11 tion Rebate Fund.”.

12 (b) REVENUES DEDICATED TO TRUST FUNDS.—

13 (1) AIRPORT AND AIRWAY TRUST FUND.—Sec-
14 tion 9502(b)(1) of the Internal Revenue Code of
15 1986 is amended—

16 (A) by inserting “and fees” after “the
17 taxes”, and

18 (B) by striking “and” at the end of sub-
19 paragraph (C) and by inserting after subpara-
20 graph (D) the following new subparagraph:

21 “(E) section 9512(e)(4) (relating to carbon
22 fee), and”.

23 (2) HIGHWAY TRUST FUND.—Section
24 9503(b)(1) of the Internal Revenue Code of 1986 is
25 amended—

1 (A) by inserting “and fees” after “equiva-
2 lent to the taxes”, and

3 (B) by striking “and” at the end of sub-
4 paragraph (D), by striking the period at the
5 end of subparagraph (E) and inserting “, and”,
6 and by inserting after subparagraph (E) the
7 following new subparagraph:

8 “(F) section 9512(e)(1) (relating to carbon
9 fee).”.

10 (c) CLERICAL AMENDMENT.—The table of sections
11 for subchapter A of chapter 98 of such Code is amended
12 by adding at the end the following new item:

“Sec. 9512. Climate Action Rebate Fund.”.

13 **SEC. 5. DISCLOSURE OF RETURN INFORMATION.**

14 Section 6103(l) of the Internal Revenue Code of 1986
15 is amended by adding at the end the following new para-
16 graphs:

17 “(23) DISCLOSURE OF RETURN INFORMATION
18 RELATING TO CARBON DIVIDEND PAYMENTS.—

19 “(A) DEPARTMENT OF TREASURY.—Re-
20 turn information with respect to any taxpayer
21 shall, without written request, be open to in-
22 spection by or disclosure to officers and employ-
23 ees of the Department of the Treasury whose
24 official duties require such inspection or disclo-
25 sure for purposes of administering section

1 9512(d) (relating the carbon dividend payments
2 from the Climate Action Rebate Fund).

3 “(B) COMMISSIONER OF SOCIAL SECUR-
4 RITY.—The Commissioner of Social Security
5 shall, on written request, disclose to officers
6 and employees of the Department of the Treas-
7 ury return information which has been disclosed
8 to the Social Security Administration as is nec-
9 essary to administer section 9512(d).

10 “(C) RESTRICTION ON DISCLOSURE.—In-
11 formation disclosed under this paragraph shall
12 be disclosed only for purposes of, and to the ex-
13 tent necessary in, carrying out section
14 9512(d).”.

15 **SEC. 6. EFFECTIVE DATE.**

16 The amendments made by this Act shall apply to any
17 calendar year beginning after the date of enactment of this
18 Act.

19 **SEC. 7. PRINCIPLE OF INTERPRETATION.**

20 In the case of ambiguity, the texts of this statute and
21 its amending texts shall be interpreted so as to allow for
22 the most effective abatement of greenhouse gas emissions.

23 **SEC. 8. NO PREEMPTION OF STATE LAW.**

24 Nothing in this Act or any regulations promulgated
25 under this Act shall preempt or supersede, or be inter-

1 preted to preempt or supersede, any State law or regula-
2 tion.

○