

116TH CONGRESS,
1ST SESSION.

H.R. _____

To tax the human causes of greenhouse gas emissions, open the energy market to more competition, and induce other countries to adopt and enforce reciprocal measures.

IN THE HOUSE OF REPRESENTATIVES
OF THE UNITED STATES

Mr. or Ms. _____ (for himself and Mr. or Ms. _____)
introduced the following bill, which was read twice and referred to the Committee on

_____.

A BILL

To tax the human causes of greenhouse gas emissions, open the energy market to more competition, and induce other countries to adopt and enforce reciprocal measures.

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

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS; DEFINITIONS.**

4 (a) SHORT TITLE.—This Act may be cited as the “America First, Comprehensive,
5 Worldwide, Fossil Fuel Tax Act of 2019”.

6 (b) TABLE OF CONTENTS.—The Table of Contents for this Act is as follows:

7 Sec. 1. Short title; table of contents; definitions.

8

1 TITLE I—FOSSIL FUEL TAX

2 Sec. 101.—Fossil and non-fossil fuel emissions tax and credit.

3 Adding at the end of the Internal Revenue Code of 1986, the following Subtitle L— Greenhouse
4 Gas Emissions:

5 “Sec. 9901. Certification of carbon mole fraction.

6 “Sec. 9902. Tax on fossil fuel extraction and importation.

7 “Sec. 9903. Tax on non-fossil fuel, renewable sources.

8 “Sec. 9904. Tax on greenhouse gas emissions from non-fossil fuel, non-
9 renewable, industrial sources.

10 “Sec. 9905. Tax on fluorinated gas.

11 “Sec. 9906. Tax on methane produced by ruminant animals.

12 “Sec. 9907. Credit for carbon sequestration and storage.”

13 TITLE II—OPENING THE ENERGY MARKET

14 TO MORE COMPETITION

15 Sec. 201.—Limitation on authority of the Environmental Protection Agency to regulate
16 carbon dioxide emissions.

17 Sec. 202.—Repeal of credits, subsidies, allowances and set-asides for fossil fuel.

18 Sec. 203.—Engine efficiency standards.

19 Sec. 204.—Policy against future adoption of credits, subsidies, allowances and set-asides
20 favoring fossil or renewable fuels.21 Sec. 205.—Reducing barriers to entry and deployment of renewable fuel, energy and
22 electricity under state law.

1 Sec. 206.—Jatropha.

2 Sec. 207.—Preemption of state law.

3 Sec. 208.—Recision of Solar Panel Tariffs Imposed Since May 1, 2018.

4 TITLE III—FOREIGN RECIPROCITY

5 Sec. 301. Policy of foreign reciprocity.

6 Sec. 302. Requirements satisfying foreign reciprocity and compliance.

7 Sec. 303. Import duty for failure to reciprocate.

8 Sec. 304. World Trade Organization compliance.

9 TITLE IV—ALLOCATION OF REVENUES

10 Sec. 401.— *INTENTIONALLY LEFT BLANK*

11 TITLE V—OTHER PROVISIONS

12 Sec. 501.—Payable tax.

13 Sec. 502.—Record keeping.

14 Sec. 503.—Penalties.

15 Sec. 504.—Severability.

16 (c) DEFINITIONS.—As used everywhere in this Act, the following definitions shall
17 apply:

18 (1) ADMINISTRATOR.—The term “Administrator” means the Administrator of
19 the United States Environmental Protection Agency.

20 (2) ANNUAL TAX RATE.—The term “annual tax rate” means for a fossil fuel or
21 a non-fossil fuel, renewable source, the fee per metric ton of the fuel, as calculated in paragraph
22 (A); for a non-fossil fuel, renewable source, the fee per metric ton of the biomass as calculated in

1 paragraph (B); and for a non-fossil fuel, non-renewable, industrial source, the fee per metric ton,
2 as calculated in paragraph (C).

3 (A). For a fossil fuel, the fee per metric ton of the fuel is calculated by
4 multiplying the price per metric ton of carbon dioxide by 3.667 and by the carbon mole fraction
5 of the fuel sampled at the point of extraction. The material sample of oil sands measured for its
6 carbon mole fraction shall be the bitumen extracted therefrom at the point of origin, but not
7 processed or modified further, before transport from the point of origin.

8 (B). For a non-fossil fuel, renewable source, the fee per metric ton of the
9 fuel is calculated by multiplying the price per metric ton of carbon dioxide by 3.667 and by the
10 carbon mole fraction of the fuel sampled at the land from which the biomass derives. The
11 material sample of biomass measured for its carbon mole fraction shall be a uniform and average
12 part of the total biomass composition that is used for or to make combustible energy. In the case
13 of a plant seed intended for or used to make plant oil biofuel, the material sample measured for
14 its carbon mole fraction shall be the contents of the seed or kernel, including the skin or husk,
15 pulp and oil, crushed, pulverized and mixed into a uniform and consistent substance, without
16 losing any of the original energy-producing ingredients. If there is a secondary part of the plant
17 separate from the seed or kernel that is also biomass, such as corn stover (leaves, stalks and
18 cobs), then a material part of this plant may be measured for its carbon mole fraction and may
19 serve as the tax base for this separate biomass to make energy. In the case of woody or cellulosic
20 matter that is used to make energy, the material sample measured for its carbon mole fraction
21 shall be the woody trunk or stem, after drying. If the biomass does not have seeds or kernels and
22 does not have a woody trunk or stem that is used to make energy, the material sample measured

1 for its carbon mole fraction shall be the biomass plant's raw carbohydrate before it is processed
2 further into usable fuel.

3 (C) For a non-fossil fuel, non-renewable, industrial source, the fee per
4 metric ton is calculated by multiplying the price per metric ton of carbon dioxide by the carbon
5 dioxide equivalent quantity of the emissions at the source's point or points of emissions.

6 (3) BIOMASS.—The term “biomass” means plant matter that was living but has
7 died within the preceding twenty (20) years and is not fossilized, excluding lignite and peat,
8 which may be used to generate energy, whether harvested for that or another purpose, or which is
9 waste matter.

10 (4) CARBON DIOXIDE EQUIVALENT.— The term “carbon dioxide
11 equivalent” means, with respect to a greenhouse gas, the quantity of such gas that has a global
12 warming potential equivalent to 1 metric ton of carbon dioxide, as determined pursuant to table
13 A-1 of subpart A of part 98 of title 40, Code of Federal Regulations, as in effect on the date of
14 the enactment of the America First, Comprehensive, Worldwide, Fossil Fuel Tax Act.

15 (5) CARBON MOLE FRACTION OF CARBON DIOXIDE.—The term “carbon
16 mole fraction of carbon dioxide” means 0.2727. The inverse of this number is 3.667.

17 (6) COAL.—The term “coal” has the same meaning given such term under
18 section Title 26, section 48A(c)(4) of the United States Code.

19 (7) CONSUMER PRICE INDEX FOR ANY CALENDAR YEAR.—The
20 Consumer Price Index for the previous calendar year is the average of the
21 Consumer Price Index for all-urban consumers published by the Department of

1 Labor as of the close of the 12-month period ending on August of such calendar
2 year. For purposes of the preceding sentence, the revision of the Consumer Price
3 Index which is most consistent with the Consumer Price Index for calendar year
4 1986 shall be used.

5 (8) ENGINE EFFICIENCY.—The term “engine efficiency” shall mean the fuel-
6 neutral ratio of the rate of energy supplying an engine to the rate of work the engine is
7 performing as a result. The rate of energy supplying an engine shall be the net quantity of energy
8 entering the engine’s combustion chamber(s) per unit of time.

9 (9) FORESTRY HARVESTING RESIDUES.—The term “forestry harvesting
10 residues” means tops, limbs, and branches of trees, and saplings, or trees with a diameter at
11 breast height below 5 inches (12.7 centimeters),

12 (10) FORESTRY PROCESSING BY-PRODUCTS AND RESIDUES.—The term
13 “forestry processing by-products and residues” means sawdust, shavings, bark, tall oil / tall oil
14 pitch, and brown liquor.

15 (11) FOSSIL FUEL.— The term “fossil fuel” means any substance naturally
16 occurring or originating below the surface of the soil or deriving from such substance that
17 consists of former life forms containing carbon that have become fossilized, such as coal
18 (including lignite and peat), petroleum and any petroleum product, and methane or natural gas
19 coming from inside the earth that—

20 (A) when combusted or otherwise used, will release greenhouse gas
21 emissions; and

1 (B) is—

2 (i) extracted, manufactured, or produced in the United States; or

3 (ii) imported into the United States for consumption, processing,
4 use, or storage for later use.

5 (12) FOSSIL FUEL NET LIFE CYCLE GREENHOUSE GAS EMISSIONS

6 REPLACEMENT VALUE OF BIOMASS.—The term “fossil fuel net life cycle greenhouse gas

7 emissions replacement value of biomass” means the number of years that it will take for the

8 cumulative energy available in and combusted as fuel from a biomass feedstock harvested year-

9 after-year, calculated using this feedstock’s lower heating value, to match or surpass the energy

10 content of all of the fossil fuel that would have to be combusted to generate the carbon equivalent

11 sum of (a) the diminution and permanent loss of carbon stored in plant matter on and underneath

12 the surface of the land, (b) the methane and nitrous oxides released from the land to the

13 atmosphere caused by the degree of tilling and ploughing the land, and (c) the fossil fuel

14 transportation energy greenhouse gas emissions expended on the land, all of (a) through (c)

15 caused by the following biomass cultivation and activities: land preparation, planting, embedded

16 content of and application of treatments, irrigation, cultivation and harvesting, and excluding

17 transportation away from the land of origin, processing, and combustion of the biomass

18 feedstock. The number of years (“N”) is calculated by following steps (A) through (I) below for

19 each year and cumulating the values for the first, second and following years, until the usable

20 energy content of the cumulative harvest yield of that portion of biomass that is used to generate

21 energy for years 1 through N is equal to or greater than the total, cumulative yield of biomass

22 necessary to generate the energy content of the quantity of fossil fuel whose combustion would

1 generate the equivalent of the quantity of carbon, methane and nitrous oxides lost and released by
2 the activities set forth in items (a) through (c) above. The steps are:

3 (A) Measure and calculate the quantity of carbon, methane and nitrous
4 oxides lost and released by the biomass cultivation activities set forth above in (a) through (c) for
5 Year 1 and add their carbon equivalencies to produce the sum of the total carbon dioxide
6 generated for Year 1, which is Gas_1 ;

7 (B) Calculate the quantity of the relevant fossil fuel, whether petroleum,
8 natural gas, or coal, that would upon combustion produce the amount of carbon dioxide that is
9 Gas_1 , the quantity of fossil fuel being FF_1 ;

10 (C) Utilizing the lower heating value of the fossil fuel, H_{FF} , and the lower
11 heating value of the biomass, H_{BB} , determine the quantity of biomass that would have the energy
12 content of FF_1 , this quantity of biomass being B_1 and its quantity of energy being E_1 ;

13 (D) Multiplying the lower heating value of the biomass by the quantity of
14 biomass harvested in Year 1, determine the total energy content of the quantity of biomass
15 harvested in Year 1, Y_1 ;

16 (E) If the total energy content of the quantity of biomass harvested in Year
17 1, Y_1 , is equal to or greater than the total energy content of B_1 , which is E_1 , then N equals one;

18 (F) If Y_1 is not equal to or greater than E_1 , then for biofuel cultivation
19 activities undertaken in Year 2 on the same acre of land, perform steps (A), (B), and (C) to solve
20 for Gas_2 , FF_2 , B_2 and E_2 , and determine if the total energy content of the quantity of biomass
21 harvested in the sum of Years 1 and 2, which is the sum of Y_1 plus Y_2 , is equal to or greater than
22 the sum of E_1 plus E_2 ;

1 (G) If Y_1 plus Y_2 is equal to or greater than E_1 plus E_2 , then N equals two.

2 (H) If the sum of Y_1 plus Y_2 is not equal to or greater than the sum of E_1
 3 plus E_2 , then continue performing steps (A), (B), and (C) for Years 3 to N to solve for Gas_{3-N} ,
 4 FF_{3-N} , B_{3-N} , and E_{3-N} , and determine if the total energy content of the quantity of biomass
 5 harvested in the sum of Year 1 through Year N , which is the sum of Y_1 plus Y_2 plus Y_3 plus all of
 6 the total energy content of the quantity of biomass harvested in all of the subsequent years
 7 leading to and including Y_N , constituting Y_{1-N} , is equal to or greater than the sum of E_1 plus E_2
 8 plus E_3 plus all of the quantities of biomass energy equaling fossil fuel displaced in all of the
 9 subsequent years leading to and including E_N , constituting E_{1-N} ;

10 (I) Once Y_{1-N} is equal to or greater than E_{1-N} , then N is the number of years
 11 that this result has taken to happen, and N is the net life cycle greenhouse gas emissions
 12 replacement value of the biomass.

13 (13) GREENHOUSE GAS.—The term “greenhouse gas” has the meaning given
 14 such term under section 211(o)(1)(G) of the Clean Air Act, as in effect on the date of the
 15 enactment of the America First, Comprehensive, Worldwide, Fossil Fuel Tax Act.

16 (14) MOLE.—The term “mole” means the molecular weight of a substance.

17 (15) MOLE FRACTION.—The term “mole fraction” means moles of a substance
 18 divided by total moles involved.

19 (16) NET LIFE CYCLE GREENHOUSE GAS EMISSIONS.—The term “net life
 20 cycle greenhouse gas emissions” means the sum of the greenhouse gas emissions attributed to the
 21 activities stated in paragraph (A) minus the sum of the greenhouse gas emissions attributed to the
 22 factors stated in paragraph (B):

1 (A) (i) In the case of a fossil fuel: exploration, land preparation
2 (including clearance of plant matter and moving of earth), drilling, and mining, including all
3 energy costs incurred in bringing the crude fossil fuel to the surface of the earth for capture and
4 transport therefrom, and;

5 (ii) In the case of biomass: land preparation (including clearing of
6 plant matter that was storing carbon both above and below ground and the degree of turning or
7 ploughing of the soil) and transportation energy costs incurred on the land in planting, applying
8 agricultural treatments, cultivating, irrigating, and harvesting the feedstock without any further
9 processing and before transport away from the land of origin;

10 (B) Any carbon extracted from the atmosphere by a plant storing it as
11 biomass, including but not limited to storing the extracted carbon as plant hydrocarbon oil,
12 cellulose, roots, and sugar, accumulated over the productive lifetime of the plant.

13 (17) NON-FOSSIL FUEL.—The term “non-fossil fuel” means any fuel or energy
14 that comes from a source that is not a fossil fuel.

15 (18) NON-FOSSIL FUEL, NON-RENEWABLE, INDUSTRIAL SOURCE.—The
16 term “non-fossil fuel, non-renewable, industrial source” means a stationary source of greenhouse
17 gases emitted during an industrial process that is not a fossil fuel or biomass and that does not
18 derive from a fossil fuel or biomass—

19 (A) which is required to report emissions (or which would be required to
20 report emissions notwithstanding any other provision of law prohibiting the
21 implementation of or use of funds for such requirements), or to which emissions are attributed,
22 under part 98 of title 40, Code of Federal Regulations, as in effect on the date of the enactment of

1 this America First, Comprehensive, Worldwide, Fossil Fuel Tax Act, and

2 (B) which emitted during the calendar year preceding the tax year
3 greenhouse gases (not including carbon dioxide or fluorinated greenhouse gases) at a rate equal
4 to the carbon dioxide equivalent of not less than 5,000 metric tons per year.

5 (19) PETROLEUM.—The term “petroleum” includes the meanings given
6 “petroleum” and “petroleum product” under Title 26, section 4612(a)(3) of the United States
7 Code, and “oil sand” or “tar sand.” “Oil sand” or “tar sand” means a deposit of sand
8 impregnated with bitumen.

9 (20) POINT OF EXTRACTION.—The term “point of extraction” means, for coal,
10 the mine mouth, and for petroleum and natural gas, the well-head, before the fossil fuel is
11 cleaned, stored or diverted into any pipeline or means of transport or processed or otherwise put
12 to beneficial use, including fossil fuel before it is flared or otherwise immediately combusted,
13 with the exception that the “point of extraction” from the coal mine mouth may include run-of-
14 mine coal upon its exit from a coal preparation and processing plant that is located at the mine
15 mouth and which run-of-mine coal has been washed of soil and non-coal rock and minerals.

16 (21) POINT OF IMPORTATION.—The term “point of importation” means the
17 ship port, airport, or land crossing at which a fossil fuel enters on land the legal jurisdiction of the
18 United States from abroad.

19 (22) PRICE PER METRIC TON OF CARBON DIOXIDE.—The term “price per
20 metric ton of carbon dioxide” means a percentage increase in the previous year’s price
21 per metric ton of carbon dioxide equal to the increase in the Consumer Price Index
22 for the previous calendar year, plus the following:

1 (A) for the calendar year beginning January 1, 2020, the price of one (1)
2 metric ton of carbon dioxide shall be: \$36.00;

3 (B) for the calendar year beginning January 1, 2021, the price of one (1)
4 metric ton of carbon dioxide shall be \$38.00 (increasing \$2.00 or 5.56 percent from the preceding
5 calendar year);

6 (C) for the calendar year beginning January 1, 2022, the price of one (1)
7 metric ton of carbon dioxide shall be \$41.00 (increasing \$3.00 or 7.89 percent from the preceding
8 calendar year);

9 (D) for the calendar year beginning January 1, 2023, the price of one (1)
10 metric ton of carbon dioxide shall be \$45.00 (increasing \$4.00 or 9.76 percent from the preceding
11 calendar year);

12 (E) for the calendar year beginning January 1, 2024, the price of one (1)
13 metric ton of carbon dioxide shall be \$50.00 (increasing \$5.00 or 11.11 percent from the
14 preceding calendar year);

15 (F) for the calendar year beginning January 1, 2025, the price of one (1)
16 metric ton of carbon dioxide shall be \$56.00 (increasing \$6.00 or 12 percent from the preceding
17 calendar year);

18 (G) for the calendar year beginning January 1, 2026, the price of one (1)
19 metric ton of carbon dioxide shall be \$63.00 (increasing \$7.00 or 12.5 percent from the preceding
20 calendar year);

21 (H) for the calendar year beginning January 1, 2027, the price of one (1)
22 metric ton of carbon dioxide shall be \$71.00 (increasing \$8.00 or 12.7 percent from the preceding

1 calendar year);

2 (I) for the calendar year beginning January 1, 2028, the price of one (1)
3 metric ton of carbon dioxide shall be \$80.00 (increasing \$9.00 or 12.68 percent from the
4 preceding calendar year);

5 (J) for the calendar year, beginning January 1, 2029, the price of one (1)
6 metric ton of carbon dioxide shall be \$90.00 (increasing \$10.00 or 12.5 percent from the
7 preceding calendar year);

8 (K) for the calendar year, beginning January 1, 2030, the price of one (1)
9 metric ton of carbon dioxide shall be \$101.00 (increasing \$11.00 or 12.22 percent from the
10 preceding calendar year);

11 (L) for the calendar year, beginning January 1, 2031, the price of one (1)
12 metric ton of carbon dioxide shall be \$113.00 (increasing \$12.00 or 11.88 percent from the
13 preceding calendar year);

14 (M) for the calendar year, beginning January 1, 2032, the price of one (1)
15 metric ton of carbon dioxide shall increase by twelve (12) percent from the preceding calendar
16 year (or \$13.56, increasing to \$126.56);

17 (N) for the calendar year, beginning January 1, 2033, the price of one (1)
18 metric ton of carbon dioxide shall increase by thirteen (13) percent from the preceding calendar
19 year (or \$16.45, increasing to \$143.01);

20 (O) for the calendar year, beginning January 1, 2034, the price of one (1)
21 metric ton of carbon dioxide shall increase by fourteen (14) percent from the preceding calendar
22 year (or \$20.02, increasing to \$163.03);

1 (P) for the calendar year, beginning January 1, 2035, the price of one (1)
2 metric ton of carbon dioxide shall increase by fifteen (15) percent from the preceding calendar
3 year (or \$24.46, increasing to \$187.49);

4 (Q) for the calendar year, beginning January 1, 2036, the price of one (1)
5 metric ton of carbon dioxide shall increase by sixteen (16) percent from the preceding calendar
6 year (or \$30.00, increasing to \$217.49);

7 (R) for the calendar year, beginning January 1, 2037, the price of one (1)
8 metric ton of carbon dioxide shall increase by eighteen (18) percent from the preceding calendar
9 year (or \$39.15, to \$256.64);

10 (S) for the calendar year, beginning January 1, 2038, the price of one (1)
11 metric ton of carbon dioxide shall increase by twenty (20) percent from the preceding calendar
12 year (or \$51.33, increasing to \$307.96);

13 (T) for the calendar year, beginning January 1, 2039, the price of one (1)
14 metric ton of carbon dioxide shall increase by twenty two (22) percent from the preceding
15 calendar year (or \$67.75, increasing to \$375.72);

16 (U) for the calendar year, beginning January 1, 2040, the price of one (1)
17 metric ton of carbon dioxide shall increase by twenty four (24) percent from the preceding
18 calendar year (or \$90.17, increasing to \$465.89);

19 (V) for the calendar year, beginning January 1, 2041, the price of one (1)
20 metric ton of carbon dioxide shall increase by twenty six (26) percent from the preceding
21 calendar year (or \$121.13, increasing to \$587.02);

22 (W) for the calendar year, beginning January 1, 2042, the price of one (1)

1 metric ton of carbon dioxide shall increase by twenty eight (28) percent from the preceding
2 calendar year (or \$164.36, increasing to \$751.38);

3 (X) for the calendar year, beginning January 1, 2043, the price of one (1)
4 metric ton of carbon dioxide shall increase by thirty (30) percent from the preceding calendar
5 year (or \$225.41, increasing to \$976.80);

6 (Y) for the calendar year, beginning January 1, 2044, the price of one (1)
7 metric ton of carbon dioxide shall increase by thirty two (32) percent from the preceding calendar
8 year (or \$312.57, increasing to \$1,289.37);

9 (Z) for the calendar year, beginning January 1, 2045, the price of one (1)
10 metric ton of carbon dioxide shall increase by thirty four (34) percent from the preceding
11 calendar year (or \$438.39, increasing to \$1,727.76);

12 (AA) for the calendar year, beginning January 1, 2046, the price of one (1)
13 metric ton of carbon dioxide shall increase by thirty six (36) percent from the preceding calendar
14 year (or \$621.99, increasing to \$2,349.75);

15 (BB) for the calendar year, beginning January 1, 2047, the price of one (1)
16 metric ton of carbon dioxide shall increase by thirty eight (38) percent from the preceding
17 calendar year (or \$892.91, increasing to \$3,242.66);

18 (CC) for the calendar year, beginning January 1, 2048, the price of one (1)
19 metric ton of carbon dioxide shall increase by forty one (41) percent from the preceding calendar
20 year (or \$1,329.49, increasing to \$4,752.15);

21 (DD) for the calendar year, beginning January 1, 2049, the price of one (1)
22 metric ton of carbon dioxide shall increase by forty six (46) percent from the preceding calendar

1 year (or \$2,103.19, increasing to \$6,675.33);

2 (EE) for the calendar year, beginning January 1, 2050 and every calendar
3 year thereafter, the price of one (1) metric ton of carbon dioxide shall increase by fifty (50)
4 percent per year from the preceding calendar year;

5 (FF) except that for fossil fuel coal (including lignite and peat), the price
6 shall be the price calculated above for the calendar year, adjusted as follows:

7 (i) for the calendar year beginning January 1, 2020: three and one-
8 third ($3 \frac{1}{3}$, or 3.33) percent of the price calculated in paragraph (A);

9 (ii) for the calendar year beginning January 1, 2021: six and two-
10 thirds ($6 \frac{2}{3}$, or 6.67) percent of the price calculated in paragraph (B);

11 (iii) for the calendar year beginning January 1, 2022: ten (10)
12 percent of the price calculated in paragraph (C);

13 (iv) for the calendar year beginning January 1, 2023: thirteen and
14 two-thirds ($13 \frac{2}{3}$, or 13.67) percent of the price calculated in paragraph (D);

15 (v) for the calendar year beginning January 1, 2024: seventeen and
16 one-third ($17 \frac{1}{3}$, or 17.33) percent of the price calculated in paragraph (E);

17 (vi) for the calendar year beginning January 1, 2025: twenty (20)
18 percent of the price calculated in paragraph (F);

19 (vii) for the calendar year beginning January 1, 2026: twenty three
20 and two-thirds ($23 \frac{2}{3}$, or 23.67) percent of the price calculated in paragraph (G);

21 (viii) for the calendar year beginning January 1, 2027: twenty seven
22 and one-third ($27 \frac{1}{3}$, or 27.33) percent of the price calculated in paragraph (H);

1 (ix) for the calendar year beginning January 1, 2028: thirty (30)
2 percent of the price calculated in paragraph (I);

3 (x) for the calendar year beginning January 1, 2029: thirty three
4 and two-thirds ($33 \frac{2}{3}$, or 33.67) percent of the price calculated in paragraph (J);

5 (xi) for the calendar year beginning January 1, 2030: thirty seven
6 and one-third ($37 \frac{1}{3}$, or 37.33) percent of the price calculated in paragraph (K);

7 (xii) for the calendar year beginning January 1, 2031: forty five
8 (45) percent of the price calculated in paragraph (L);

9 (xiii) for the calendar year beginning January 1, 2032: fifty five
10 (55) percent of the price calculated in paragraph (M);

11 (xiv) for the calendar year beginning January 1, 2033: seventy five
12 (75) percent of the price calculated in paragraph (N);

13 (xv) for the calendar year beginning January 1, 2034: one hundred
14 (100) percent of the price calculated in paragraph (O), and;

15 (xv) for the calendar years beginning on January 1, 2035 and on
16 January 1 of every year thereafter: one hundred (100) percent of the price calculated in the same
17 calendar year beginning on January 1 that is listed in one of paragraphs (P) to (EE).

18 (23) PRIMARILY FORESTED OR WOODED LAND.—The term “primarily
19 forested land” or “primarily wooded land” means land that is primarily forested with trees
20 exceeding five (5) meters in height and that has a continuous branch and leaf canopy during the
21 season of year in which leaves are on the trees which covers ninety (90) percent of the area of the
22 land, as viewed by two (2) meter acuity, monochromatic, satellite imagery.

1 (24) RENEWABLE SOURCE.—The term “renewable source” means a source of
2 greenhouse gases emitted that does not derive from a fossil fuel and that is biomass to be used as
3 fuel, processed into fuel, or sold to make fuel.

4 (25) RESPONSIBLE PARTY.—The term “responsible party” means:

5 (A) with regards to a fossil fuel, the person or entity who is the legal actor
6 removing the fossil fuel from the earth at the point of extraction or importing it into the customs
7 area of the United States;

8 (B) with regards to a non-fossil fuel, renewable source, the person or entity
9 responsible for harvesting the biomass from the land, except that if the aggregate area of land
10 from which the person or entity so harvests in the preceding year is no more than one-quarter (1/4
11 or 0.25) acre in size, then there shall not be any responsible party;

12 (C) with regards to a non-fossil fuel, non-renewable, industrial source, the
13 owner of the point of emission;

14 (D) with regards to a fluorinated gas, the person or entity who is the legal
15 actor producing, emitting, transforming, destroying, or importing the fluorinated gas;

16 (E) with regards to methane produced by a ruminant animal whose milk
17 was drawn for commercial, human consumption at some time during the preceding year, the
18 owner of the animal, except that if the owner of the animal and his spouse and blood relatives of
19 the first degree own a total of fewer than five (5) ruminant animals during the tax year, there
20 shall not be any responsible party, and;

21 (F) with regards to methane produced by a ruminant animal whose milk
22 has not been drawn for human consumption within the year preceding its slaughter or death, the

1 slaughterer of the animal.

2 (26) RUMINANT ANIMAL.— The term “ruminant animal” means a cow, goat,
3 sheep, deer, elk, moose, giraffe and camel, except such animal that is hunted from the wild or,
4 not previously owned by any person, captured from the wild and later slaughtered or dies of
5 natural causes.

6 (27) TRADE REPRESENTATIVE.—The term “Trade Representative” shall
7 mean the person occupying the position of United States Trade Representative or, if that position
8 is unfilled, the Secretary of Commerce.

10 **TITLE I — FOSSIL FUEL TAX**

11 **SEC. 101. FOSSIL AND NON-FOSSIL FUEL GREENHOUSE GAS EMISSIONS.**

12 (a) IN GENERAL.—Chapter 38 of the Internal Revenue Code of 1986 is amended
13 by adding at the end thereof the following new subchapter:

14 **“Subchapter L—GREENHOUSE GAS EMISSIONS**

15 “Sec. 9901. Certification of carbon mole fraction.

16 “Sec. 9902. Tax on fossil fuel extraction and importation.

17 “Sec. 9903. Tax on non-fossil fuel, renewable sources.

18 “Sec. 9904. Tax on greenhouse gas emissions from non-fossil fuel, non-
19 renewable, industrial sources.

20 “Sec. 9905. Tax on fluorinated gas.

21 “Sec. 9906. Tax on methane produced by ruminant animals.

1 “Sec. 9907. Credit for carbon sequestration and storage.”

2 **“SEC. 9901. CERTIFICATION OF CARBON MOLE FRACTION.**

3 “(a) IN GENERAL.—Every shipment or pipeline batch of fossil fuel or biomass
4 intended for use as or to make fuel that is imported to or exported from the United States,
5 or that is in transport from or after its point of domestic origin, shall carry with it at all
6 points leading to its retail sale and at the border and beyond a written certification by a
7 laboratory meeting International Standards Organization 9001 standards or by the
8 standards certification agency of the national government of the place of origin stating the
9 carbon mole fraction of the fossil fuel or biomass. The written certification shall identify
10 for the shipment and its constituent portions the specific location and address of the point
11 of extraction or land of origin, the carbon mole fraction and the specific representative
12 material sample from which it was determined and can be traced and the custodian
13 thereof, the responsible party and his or her U.S. mail, email, and physical address and
14 telephone number, and all transfers of custody and ownership and all points of
15 processing, all the way to the point of retail sale or the United State border. If a shipment
16 or pipeline batch consists of fossil fuel or biomass that comes from two or more different
17 points of extraction or origin, the written certificate shall state the quantities and
18 percentages of the shipment or batch coming from each one. A shipment of fossil fuel or
19 biomass intended for use as or to make fuel shall not be admitted to the territory of the
20 United States unless it has with it such a written certification. Such a written certification

1 shall be the presumptive measure of the carbon mole fraction of the fossil fuel or
2 biomass, unless the U.S. Customs Service, the Departments of State, Energy, Justice, or
3 Treasury, or the Environmental Protection Agency conduct or commission a test showing
4 otherwise.

5 “(b) RECORD KEEPING.—The responsible party or the laboratory determining
6 the carbon mole fraction shall sign the Certificate of Carbon Mole Fraction under penalty
7 of perjury. The responsible party shall have a duty to retain the Certificate of Carbon
8 Mole Fraction of the representative material sample of a fossil fuel or non-fossil fuel,
9 renewable source assigned to quantities in commerce for a period of three years after the
10 carbon mole fraction of the representative material sample was last assigned to any
11 quantity in commerce.

12 **“SEC. 9902. TAX ON FOSSIL FUEL EXTRACTION AND IMPORTATION.**

13 “(a) IN GENERAL.—There is hereby imposed on all fossil fuels at the point of
14 extraction and importation to the United States a tax payable by the responsible party in
15 an amount equal to the annual tax rate, as applied to the carbon dioxide equivalent
16 quantity of the particular fossil fuel. The quantity shall be taxed by its mass and shall be
17 of the same characteristics and standard as the representative material sample from which
18 the carbon mole fraction for taxing that quantity was determined. For fossil fuel that is
19 imported to the United States, the carbon mole fraction used in the calculation of the
20 annual tax rate shall be the carbon mole fraction stated on the fuel quantity’s certification

1 of carbon mole fraction, unless an agency of the United States government determines
2 that the carbon mole fraction is otherwise.

3 “(b) CREDIT AGAINST TAX.—A responsible party for greenhouse gas
4 emissions from a fossil fuel may claim a credit against the annual tax calculated and due
5 according to subsection (a) on the conditions stated in Section 9907.

6 **“SEC. 9903. TAX ON NON-FOSSIL FUEL, RENEWABLE SOURCES.**

7 “(a) IN GENERAL.—There is hereby imposed a tax payable by the responsible
8 party at the annual tax rate on the quantity of any non-fossil fuel, renewable source at the
9 point of extraction and importation to the United States, subject to any adjustment
10 qualifying under subsection (b). The quantity shall be taxed by its mass and shall be of
11 the same characteristics and standard as the representative material sample from which
12 the carbon mole fraction was determined, with the following exception: if the biomass
13 was a plant seed or kernel, then the quantity taxed shall consist of the whole seed or
14 kernel, including its skin or husk, before crushing and pulverizing to make the material
15 sample. For a non-fossil fuel, renewable source that is imported to the United States, the
16 carbon mole fraction used in the calculation of the annual tax rate shall be the carbon
17 mole fraction stated on the renewable source quantity’s certification of carbon mole
18 fraction, unless an agency of the United States government determines that the carbon
19 mole fraction is otherwise.

1 “(b) ADJUSTMENT OF TAX.—The tax specified in subsection (a) shall be
2 adjusted as follows:

3 “(1) if the non-fossil fuel, renewable source derives from biomass having a
4 fossil fuel net life cycle greenhouse gas emissions replacement value of five (5) or fewer
5 years, then the tax specified in subsection (a) is multiplied by zero (0);

6 “(2) if the non-fossil fuel, renewable source derives from biomass having a
7 fossil fuel net life cycle greenhouse gas emissions replacement value of greater than five
8 (5) years, then the tax specified in subsection (a) is multiplied by one (1), except that:

9 “(A) if the land from which any of the renewable source derives was,
10 before planting of the biomass, virgin tropical rain forest land or in an area that was as of
11 1950, tropical rain forest land and that has since then re-grown as tropical rain forest land,
12 then the tax specified in subsection (a) is multiplied by ten (10), or;

13 “(B) if the land from which any of the renewable source derives was,
14 immediately before harvest of the biomass, primarily wooded land in a temperate climate,
15 and if:

16 “(i) the biomass is agricultural or forestry harvesting residues
17 or agricultural or forestry processing by-products or residues, then the tax specified in
18 subsection (a), calculated within one (1) year of the harvesting or processing, is multiplied
19 by zero (0);

20 “(ii) the biomass is culled woody matter whose total mass

1 consists of not more than five (5) percent per acre of the total mass of the woody matter
2 living above ground on every acre of the total area of the specific land from which the
3 woody matter was culled, then the tax specified in subsection (a) is multiplied by zero (0),
4 or;

5 “(iii) the responsible party plants on land from which the
6 biomass is harvested and on land contiguously owned by the owner of the land, or on
7 other land within a five hundred (500) mile radius of the contiguous boundary of any of
8 such land owned by the owner, new, compensating biomass plantings of the same or
9 similar species as those harvested, in the same planting density as those harvested, within
10 twelve (12) months of the harvest, and on at least six (6) times the size of the acreage
11 harvested, then the tax specified in subsection (a) is multiplied by zero (0). If such
12 plantings cover at least three (3) times the acreage harvested, then the tax specified in
13 subsection (a) is multiplied by one-half, or fifty (50) percent (0.5). If such plantings
14 cover at least two (2) times the size of the acreage harvested, then the tax specified in
15 subsection (a) is multiplied by three-quarters, or seventy five (75) percent (0.75). If any
16 such plantings, if any, cover less than two (2) times the size of the acreage harvested, then
17 the tax specified in subsection (a) is multiplied by two (2.0).

18 “(c) LAND PROHIBITION.

19 “(1) No land that was primarily forested or wooded as of December 31,
20 2010 may be put to use to grow biomass for use as a renewable source of greenhouse gas

1 emissions, except as permitted by and under the terms of subsections (a) and (b). Breach
2 of this proscription shall constitute a federal civil infraction that is subject to a fine of \$5
3 per kilogram of biomass harvested and upon prosecution by the United States Attorney, a
4 federal district court injunction.

5 “(2) Two (2) meter acuity, monochromatic, satellite imagery available from
6 the United States Geological Survey shall be dispositive of whether land anywhere in the
7 world is primarily forested or wooded and on other questions of land use raised by this
8 section. If such imagery is not available for any date in question before December 31,
9 2010, the earliest date for which such imagery is available shall be dispositive of whether
10 the land was on any date in question before December 31, 2010 forested or wooded and
11 on other questions of land use raised by this section.

12 “(d) CERTIFICATION OF COMPLIANCE.—A party selling fuel from a
13 renewable source that is registered with the Administrator or that blends with a fuel that is
14 registered with the Administrator shall, before making any such sale, apply to a private,
15 non-profit certifying organization that is funded by the dues of responsible parties under
16 this Section and approved by the Administrator, seeking one or more determinations on
17 and certifications of a fossil fuel net life cycle greenhouse gas emissions replacement
18 value of biomass, and cannot sell such renewable fuel unless and until the organization or
19 the Administrator grants a certification for its biomass from a renewable source. The
20 applicant is entitled to appeal a final determination or certification by such an

1 organization to an appellate officer of the Administrator under the Administrative
2 Procedure Act, as though the final determination of the organization were a final
3 determination by the Administrator, and shall have all of the due process and appeal
4 rights thereunder. Such an organization that fails to rule on an application submitted to it
5 under this subsection within ninety (90) days of submission of the application to it shall
6 be deemed to have denied certification for the purpose of this subsection. An applicant
7 engaging in any appeal under the Administrative Procedure Act shall have the burden of
8 proving by clear and convincing evidence that the determination, certification, or denial
9 by an organization approved by the Administrator of a fossil fuel net life cycle
10 greenhouse gas emissions replacement value was erroneous. An appellate tribunal may
11 reverse the determination, certification or denial outright, it may grant it on specified
12 terms and conditions, or it may reverse it provisionally pending an audit and certification
13 of a second organization approved by the Administrator to conduct such evaluations and
14 hired by the responsible party. After certification, the organization granting the
15 certification may audit the field performance, fuel supply chain, and records of the party
16 winning the certification and the responsible parties supplying its biomass at any time and
17 shall do so with at least such frequency, and on such terms, if any, as the Administrator
18 prescribes.

19 “(e) RECORD KEEPING.—A responsible party shall be required to keep records of
20 the carbon mole fraction and the precise source location, quantity, biomass species, and dates of

1 planting and harvesting of every quantity of biomass harvested therefrom for a period of five (5)
2 years, as well as the precise location, species, and dates of planting of all compensating biomass
3 planted pursuant to subsection (b). A party selling fuel from a renewable source seeking or
4 winning compliance certification pursuant to this Section shall furnish original records or
5 true and accurate copies thereof, as requested by the certifying organization.

6 “(f) RULEMAKING.—The Administrator shall conduct a formal rulemaking to:

7 “(1) prepare a form for responsible parties to fill out aiding them in
8 calculating their net life cycle greenhouse gas emissions replacement value of biomass,
9 which form the responsible party shall be required to fill out, sign, date, and retain for a
10 period of five (5) years for every batch of biomass he, she or it puts into commerce,
11 traceable to the land(s) of origin;

12 “(2) establish criteria to evaluate and certify the performance of
13 independent, private, non-profit certifying organizations that are funded by the dues of
14 responsible parties and their associates, whose function it is to evaluate and report to the
15 Administrator the performance of responsible parties in satisfying their obligations under
16 this Section, including achieving an accurate fossil fuel net life cycle greenhouse gas
17 emissions replacement value for every acre of land from which the responsible party
18 seeks to or has harvested biomass; among the criteria are that the organization will pay
19 the taxes and expenses for independent environmental evaluators whom the Administrator
20 may appoint to audit their compliance and the compliance of responsible parties with this

1 statute and report the results of their audits to the Administrator, and;

2 “(3) provide guidance to private non-profit certifying organizations that are
3 funded by the dues of responsible parties and approved by the Administrator in
4 conducting their certification evaluations of responsible parties and their compliance with
5 this Section.

6 “(g) REPEAL OF 42 U.S.C. § 7545(O).—Title 42, section 7545, subsection (o) is
7 repealed, null, void and without legal effect as of January 1, 2020. Agency regulations
8 adopted to implement this subsection or that rely on it for their statutory authority,
9 including but not limited to the Renewable Fuel Standard, no longer have legal effect as
10 of that date. All approvals, certifications and permits granted thereunder also no longer
11 have any legal effect as of that date.

12 **“Sec. 9904. TAX ON GREENHOUSE GAS EMISSIONS FROM NON-FOSSIL**
13 **FUEL, NON-RENEWABLE, INDUSTRIAL SOURCES.**

14 “(a) IN GENERAL.—There is hereby imposed a tax on the responsible party in an
15 amount of tax determined under subsection (b) on the emission, including the emission
16 attributed at any point in the manufacturing or industrial process, of any greenhouse gas
17 (other than fluorinated greenhouse gases) emitted from any non-fossil fuel, non-
18 renewable, industrial source that was not emitted by the combustion of fossil fuel or
19 biomass.

1 “(b) AMOUNT OF TAX.—The amount of tax imposed by subsection (a) shall be
2 the price per metric ton of carbon dioxide multiplied by the carbon dioxide equivalent
3 quantity of the greenhouse gases emitted by the non-fossil fuel, non-renewable, industrial
4 source.

5 **“SEC. 9905. TAX ON FLUORINATED GAS.**

6 “(a) IN GENERAL.—There is hereby imposed a tax payable by the responsible
7 party in an amount determined under subsection (b) on fluorinated greenhouse gases—
8 “(1) produced at a fluorinated greenhouse gas production facility,
9 “(2) imported into the United States by a fluorinated greenhouse gas importer, or
10 “(3) emitted by an industrial fluorinated greenhouse gas facility.

11 “(b) AMOUNT OF TAX.—The amount of tax imposed by subsection (a) shall be
12 equal to the applicable percentage (as defined in subsection (c)(5)) multiplied by the price
13 per metric ton of carbon dioxide and multiplied by the carbon dioxide equivalent quantity
14 produced or imported.

15 “(c) DEFINITIONS.—For purposes of this section—

16 “(1) FLUORINATED GREENHOUSE GASES.—The term ‘fluorinated
17 greenhouse gases’ means sulfur hexafluoride (SF₆), nitrogen trifluoride (NF₃), any
18 hydrofluorocarbon, any perfluorocarbon, any fullyfluorinated linear, branched or cyclic
19 alkane, ether, tertiary amine or amino ether, any perfluoropoly ether, any hydrofluoropoly
20 ether, and any other fluorocarbon except for substances with vapor pressures of less than

1 1 mm of Hg absolute at 25 degrees Celsius.

2 “(2) FLUORINATED GREENHOUSE GAS PRODUCTION
3 FACILITY.—The term ‘fluorinated greenhouse gas production facility’ means any
4 facility which is included under the industrial gas supplier source category under subpart
5 OO of part 98 of title 40, Code of Federal Regulations, as in effect on the date of the
6 enactment of this Act.

7 “(3) FLUORINATED GREENHOUSE GAS IMPORTER.—The term
8 ‘fluorinated greenhouse gas importer’ means any importer who is included under—

9 “(A) the industrial gas supplier source category under subpart OO of
10 part 98 of title 40, Code of Federal Regulations, as in effect on the date of the enactment
11 of this Act, or

12 “(B) the source category under subpart QQ of such part (as so in
13 effect).

14 “(4) INDUSTRIAL FLUORINATED GREENHOUSE GAS
15 FACILITY.—The term ‘industrial greenhouse gas facility’ means any facility which—

16 “(A) is included under—

17 “(i) the aluminum production source category under subpart
18 F of part 98 of title 40, Code of Federal Regulations, as in effect on the date of the
19 enactment of this Act,

20 “(ii) the HCFC–22 production and HFC–23 destruction

1 source category under subpart O of such part (as so in effect), or

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

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

6 “(5) APPLICABLE PERCENTAGE.—The term ‘applicable percentage’
7 means the percentage determined in accordance with the following table:

“In the case of any taxable year beginning in calendar year:	The applicable percentage is:
2020	10 percent
2021	20 percent
2022	30 percent
2023	40 percent
2024	50 percent
2025	60 percent
2026	70 percent
2027	80 percent
2028	90 percent
2029 or thereafter	100 percent.

1 “(d) REFUND FOR CONSUMPTIVE TRANSFORMATION AND

2 DESTRUCTION.—In the case of a person who transforms or destroys any fluorinated
3 greenhouse gas for which tax has been imposed under paragraph (1) or (2) of subsection
4 (a) as an input for a manufactured good that transforms the fluorinated greenhouse gas
5 such that it cannot later be emitted or otherwise destroys the gas (without emissions) and
6 can prove clearly and convincingly such transformation or destruction, a refund shall be
7 allowed to such person in the same manner as if it were an overpayment of the tax
8 imposed by such subsection in an amount that is equal to the product of—

9 “(1) an amount equal to the applicable percentage (as defined in subsection
10 (c)(5)) of the applicable amount under subsection (b), for the calendar year in which such
11 fluorinated greenhouse gas was transformed or destroyed, and

12 “(2) the excess (if any) of—

13 “(A) the total carbon dioxide equivalent quantity of the fluorinated
14 greenhouse gases used or destroyed, minus

15 “(B) the total carbon dioxide equivalent quantity of any fluorinated
16 greenhouse gases created as the result of the transformation or destruction process.

17 **“SEC. 9906. TAX ON METHANE PRODUCED BY RUMINANT ANIMALS.**

18 “(a) IN GENERAL.—There is hereby imposed a tax payable by the responsible
19 party in an amount equal to the following:

20 “(1) with regards to a ruminant animal whose milk was drawn for

1 commercial, human consumption at any time in the preceding year, an annual tax in the
2 amount of four (4) times the price per metric ton of carbon dioxide divided by one
3 thousand three hundred (1,300) and multiplied by the number of pounds constituting the
4 animal's live weight as of December 30 of the tax year;

5 “(2) with regards to a ruminant animal whose milk was not drawn for
6 commercial, human consumption at any time during the preceding year, a one-time tax
7 due within thirty (30) days of the animal's slaughter in the amount of four (4) times the
8 price per metric ton of carbon dioxide divided by one thousand three hundred (1,300) and
9 multiplied by the number of pounds constituting the animal's live weight immediately
10 before its slaughter, multiplied by the number of whole years old the animal had lived at
11 the time of its slaughter.

12 “(b) RECORD KEEPING.—The party responsible for paying the tax on a
13 ruminant animal shall retain for a period of five years a record of the identity of each
14 animal for which it has paid the tax set forth in subsection (a) and, if applicable, the
15 animal's live weight immediately before its slaughter.

16 “(c) CREDIT AGAINST TAX.—A responsible party for methane produced by a
17 ruminant animal may claim a credit against the annual tax calculated and due for any
18 particular year according to subsections (a) and (b) in the amount stated in subsection (b)
19 of Section 9907 and in paragraphs (1) and (2) if the responsible party can prove that the
20 ruminant animal was subject to either of the following mitigating steps:

1 (1) If the ruminant animal resided inside a covered building for at least four (4)
2 months of the year, the building had a system for capturing and storing ninety (90) percent of the
3 methane gas emitted by the ruminant animal, and within the tax year, this methane was cleaned
4 and combusted to create power for purposeful human activity, then the ruminant animal shall be
5 exempt from the annual fossil fuel tax calculated for that year of the ruminant animal's life.

6 (2) If the ruminant animal was equipped with a tube inserted into its
7 digestive tract that transmitted methane directly into a portable storage tank carried on the
8 cow's body for at least six (6) months of the year, and the responsible party then
9 transferred all of the methane captured in the storage tank every day to a bigger storage
10 tank, and subsequently within the tax year, this methane was cleaned and combusted to
11 create energetic power for purposeful human activity, then the ruminant animal shall be
12 exempt from the annual tax calculated for that year of the ruminant animal's life.

13 (3) If the ruminant animal spent at least six (6) months of the year eating a
14 feed mix that included at least one (1) percent either leaves from the leucaena
15 leucocephala tree or flowers of the cosmos (sunflower) plant, then the amount of tax
16 obligated to be paid for that ruminant animal for that year of the ruminant animal's life
17 shall be reduced by twenty five (25) percent.

18 **“SEC. 9907. CREDIT FOR CARBON SEQUESTRATION AND STORAGE.**

19 “(a) CARBON DIOXIDE.

20 “(1) In the case of a person who

21 “(A) captures carbon dioxide from the combustion of fossil fuel or

1 from a non-fossil fuel, non-renewable, industrial source, and

2 “(B) disposes of such carbon dioxide in permanent secure storage,
3 there shall be a payment made from revenue arising from subsection (a) of Section 9902
4 to such person in an amount determined under paragraph (2). However, if the person is
5 the responsible party for the specific carbon dioxide captured and stored, then the amount
6 determined under paragraph (2) shall be counted as a credit offsetting the responsible
7 party’s tax obligation under subsection (a) of Section 9902.

8 “(2) AMOUNT OF PAYMENT OR CREDIT.—The amount of the
9 payment or, if awarded to the responsible party for the specific carbon dioxide captured
10 and stored, the credit under this Section is an amount equal to the product of—

11 “(A) the applicable amount under subsection (a) of Section 9902 or
12 subsections (a) and (b) of Section 9904 for the calendar year in which such carbon
13 dioxide was captured and permanently stored, and

14 “(B) the adjusted total tons of carbon dioxide captured and
15 permanently stored.

16 “(3) REQUIREMENTS.—

17 “(A) IN GENERAL.—Any payment or credit under paragraph (1)
18 shall apply only with respect to carbon dioxide that has been captured and permanently
19 stored within the United States.

20

1 “(B) PERMANENT STORAGE—The Secretary of the Treasury, in
2 consultation with the Administrator of the Environmental Protection Agency and the
3 Secretary of Energy, shall establish regulations for determining adequate security
4 measures for the secure and permanent storage of carbon dioxide such that the carbon
5 dioxide does not escape into the atmosphere. Such regulations shall ensure the stored
6 carbon dioxide may not be sold, transferred, exported or used for any purpose that results
7 in the emission of any carbon dioxide to the atmosphere.

8 “(C) RECAPTURE.—The Secretary of the Treasury shall, by
9 regulations, provide for recapturing the benefit of any payment or credit made under
10 paragraph (A) with respect to any carbon dioxide which is disposed of in permanent,
11 secure storage and ceases to be permanently stored in a manner consistent with the
12 requirements of this section.

13 “(b) METHANE. A responsible party for methane produced by a ruminant animal
14 may claim a credit for fifty (50) percent of the tax due for utilizing a device or equipment,
15 or operating a facility, that captures at least fifty (50) percent of the methane emitted by
16 the ruminant animal directly over the course of a year.”

17 (b) EFFECTIVE DATE.—The amendments made by this section shall apply to the
18 taxable year beginning on January 1, 2020 and thereafter.

19

20

1 **TITLE II—OPENING THE ENERGY MARKET**
2 **TO MORE COMPETITION**

3 **SEC. 201—LIMITATION ON AUTHORITY OF THE ENVIRONMENTAL**
4 **PROTECTION AGENCY TO REGULATE CARBON DIOXIDE EMISSIONS.**

5 The Environmental Protection Agency is denied legal authority to promulgate regulations,
6 and to require states to promulgate regulations, of mobile and stationary point sources, non-point
7 sources, and transportation vehicles and engines whose purpose is to mitigate carbon dioxide as a
8 greenhouse gas global warming pollutant. As of January 1, 2021, all existing EPA regulations of
9 mobile and stationary point sources, non-point sources, and transportation vehicle technologies,
10 fuels and energy sources oriented to mitigating the greenhouse gas global warming effect of
11 carbon dioxide emissions, including but not limited to the Clean Power Plan and the Affordable
12 Clean Energy Rule, all EPA regulations to the extent that they require states to consider or
13 regulate carbon dioxide emissions caused by human combustion as a way of mitigating their
14 greenhouse gas global warming effect, and all state regulations enacted in pursuit of the same
15 goal, are hereby rescinded, null, void and without the force of law in any and all respects.

16 **SEC. 202.—REPEAL OF CREDITS, SUBSIDIES, ALLOWANCES AND SET-ASIDES**
17 **FOR FOSSIL FUEL.**

18 (a) FOSSIL FUELS.— *INCORPORATE HERE THE TEXT OF SEN. BERNIE*
19 *SANDERS' END POLLUTER WELFARE ACT OF 2015, 114th Congress, S. 1041,*
20 *introduced in the House by Rep. Keith Ellison as H.R. 1930. I do not transfer the text*
21 *because do not know if the Tax Reform Act of 2017 altered or repealed any of the*

1 **provisions stated in H.R. 1930 from the 114th Congress.**

2 (b) REPEAL SECTION 45Q CREDIT.—The credit established under section 45Q of the
3 Internal Revenue Code of 1986 for capture, storage, disposal or use of carbon dioxide is repealed,
4 null, void and without effect as of January 1, 2020.

5 (c) REPEAL ADDITIONAL FOSSIL FUEL CREDITS AND SUBSIDIES.— ***REPEAL***
6 ***OTHER CREDITS, SUBSIDIES, AND PROVISIONS FAVORING FOSSIL FUELS***
7 ***INCLUDED IN THE TAX REFORM OF 2017 AND THE BIPARTISAN BUDGET ACT OF***
8 ***2018. I KNOW NOT WHAT THESE ARE, BUT HAVE HEARD THAT THERE ARE SOME***
9 ***WORTH REPEALING..***

10 (d) NO ENHANCED PETROLEUM OIL RECOVERY CREDIT.—There shall be no
11 federal or state tax credit in any form for enhanced petroleum oil recovery.

12 **SEC. 203. ENGINE EFFICIENCY STANDARDS.**

13 (a) REPEAL TAILPIPE RULE STANDARDS AND STATUTORY AUTHORITY.—All
14 agency regulations promulgated by the United States Environmental Protection Agency or the
15 United States Department of Transportation’s National Highway Transportation Safety
16 Administration prescribing motor vehicle and engine fuel economy, fuel efficiency, or
17 greenhouse gas emissions that rely on a calculation deriving from tailpipe carbon dioxide
18 emissions are revoked and rescinded as of January 1, 2022, as are all regulations promulgated in
19 conjunction with and at the same time as such regulations, for all classes of engine and motor
20 vehicle, including but not limited to passenger and non-passenger light duty vehicles, medium-
21 and heavy-duty engines, vehicles and equipment, motorcycles, two-cycle engines, train
22 locomotives, and ships. These federal agencies are prohibited from adopting in the future fuel

1 economy, fuel efficiency, or greenhouse gas emissions standards that rely on a calculation
2 deriving from engine or motor vehicle tailpipe carbon dioxide emissions. All statutory
3 authorizations of these federal agencies to determine fuel economy, fuel efficiency, or
4 greenhouse gas emissions standards for any class of engine or motor vehicle, including but not
5 limited to passenger and non-passenger light duty vehicles, medium- and heavy-duty engines,
6 vehicles and equipment, motorcycles, two-cycle engines, train locomotives, and ships, are
7 rendered null, void and without legal effect as of January 1, 2022.

8 (b) **ADOPT ENGINE EFFICIENCY STANDARDS.**—The Secretary of Transportation,
9 in consultation with the Administrator of the Environmental Protection Agency, shall issue final
10 standards by January 1, 2022 to measure engine efficiency for all models and classes of engine
11 sold during the 2022 calendar year and to improve engine efficiency therefrom by class of engine
12 by five percent by December 31, 2026 covering all classes of engines supplying passenger and
13 non-passenger light duty vehicles, medium- and heavy-duty vehicles and equipment,
14 motorcycles, two-cycle engine devices, train locomotives, and ships.

15 **SEC. 204.—POLICY AGAINST FUTURE ADOPTION OF CREDITS, SUBSIDIES,**
16 **ALLOWANCES AND SET-ASIDES FAVORING FOSSIL OR RENEWABLE FUELS.**

17 Where not specifically addressed elsewhere in the America First, Comprehensive,
18 Worldwide, Fossil Fuel Tax Act of 2019, it shall be the policy of the United States to decline to
19 extend or renew any expiring or enact any new tax credits, fiscal subsidies, and statutory or
20 regulatory allowances and set-asides favoring any fossil or renewable fuel; its enabling
21 technology, equipment or infrastructure; or its production or consumption.
22

SEC. 205.—REDUCING BARRIERS TO ENTRY AND DEPLOYMENT OF RENEWABLE FUEL, ENERGY AND ELECTRICITY UNDER STATE LAW.

No state law or regulation may prohibit or limit the sale of fuel or energy from a renewable source, or energy or electricity that is generated by geothermal, ocean wave-, hydro-, solar-, or wind-power, or the adoption or deployment of a technology or equipment whose purpose is to enable the generation, combustion, use or delivery of fuel or energy from a renewable source or energy or electricity from geothermal, ocean wave-, hydro-, solar-, or wind-power to or in a boiler, burner, furnace, machine, engine or micro- or large electricity transmission grid, or have the effect of so prohibiting or limiting, unless there is a compelling state governmental interest not considered by the America First, Comprehensive, Worldwide, Fossil Fuel Tax Act of 2019 and the state law or regulation has been narrowly drafted or there is clear and convincing evidence that such fuel, energy, electricity or technology poses a threat to human health and welfare and the federal government has not acted in response to that threat.

SEC. 206.---JATROPHA.

The characteristics of jatropha plant oil for use as fuel in any compression ignition (diesel) engine approved or certified under the Clean Air Act by the U.S. Environmental Protection Agency or the comparable regulatory agency of any state to run on jatropha plant oil, before blending such fuel with any EPA-approved fuel additive or combining it with petroleum diesel fuel in the engine fuel tank, shall be as follows:

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(a) The fatty acid composition shall fall within the ranges and percentages stated

hereinafter:

<u>ratio of the number of carbon atoms in the fatty acid chain to the number of double carbon bonds</u>	<u>percentage among all fatty acids in the fuel</u>
14:0	< 2 %
16:0:	3 - 17 %
18:0:	5 - 10 %
Total 18:1:	36 - 63 %
Undefined 18:2:	19 - 45 %
Other:	< 1.5 %

(b) The sulfur content shall be less than 15 parts per million.

(c) The phosphorous content shall be less than 15 parts per million.

(d) The water content shall be less than 400 mg/kg at 26.7 degrees Celsius (80 degrees Fahrenheit).

(e) The particulate content shall be less than 100 milligrams per liter of jatropha plant oil.

(f) The oxidative stability shall be 5 hours, pursuant to the Rancimat test.

SEC. 207.—PREEMPTION OF STATE LAW.

This America First, Comprehensive, Worldwide, Fossil Fuel Act preempts conflicting state law or regulation and occupies the field preventing states from regulating carbon dioxide as a greenhouse gas global warming pollutant, with the exceptions stated in the next sentence.

Except for any state severance tax on the extraction of fossil fuel from the earth and any excise or transportation tax as it is applied to fossil fuel, no state law or regulation as of January 1, 2021

1 may continue in effect that provides for any monetary tax, tax credit or deduction, or tradable
 2 credit, pays for any governmental subsidy, or ascribes any allowance, set-aside, or production
 3 target for any fossil fuel or fuel or energy from a renewable source or energy or electricity from
 4 geothermal, ocean wave-, hydro-, solar-, or wind-power, or for the technology or equipment
 5 whose purpose is to enable the generation, combustion, use or delivery of fossil fuel, renewable
 6 fuel or energy, electricity from geothermal, ocean wave-, hydro-, solar-, or wind-power to a
 7 micro- or large electricity transmission grid, or in a boiler, burner, furnace, machine or engine,
 8 except as expressly provided in the America First, Comprehensive, Worldwide, Fossil Fuel Tax
 9 Act of 2019 or other federal law. As of January 21, 2021, all state laws and regulations whose
 10 purpose specifically is to mitigate carbon dioxide emissions as a greenhouse gas global warming
 11 pollutant are hereby rescinded, null, void and without force of law in any and all respects.

12 **SEC. 208.—RECISION OF SOLAR PANEL TARIFFS IMPOSED SINCE MAY 1, 2018.**

13 All new trade tariffs imposed or added since May 1, 2018 by the United States
 14 Government on solar panels and other equipment to convert the sun’s rays into electricity or
 15 energy that are imported to the United States are hereby revoked, null and void. Without first
 16 securing specific legislative approval of Congress, the President may not, based on statutory
 17 authority previously granted him, re-impose any of these same tariffs by his taking executive
 18 action before January 31, 2025. The Secretary of Commerce and the U.S. Trade Representative
 19 shall take all necessary actions to implement the directive of this section.

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TITLE III — FOREIGN RECIPROCITY

SEC. 301. FOREIGN POLICY.

(a) RECIPROCITY.—It shall be the foreign policy of the United States that every other country in the world adopt and enforce law that imposes substantially similar and comparable taxes, duties, and incentives as are included in this America First, Comprehensive, Worldwide, Fossil Fuel Tax Act.

(b) SUPERVISORY PERSONNEL.—There is created within the Department of State the position of Assistant Secretary of State for Fossil Fuel Tax Reciprocity and Compliance.

(1) The Assistant Secretary of State for Fossil Fuel Tax Reciprocity and Compliance shall assist the Secretary of State to carry out the responsibilities of the Department of State set forth in this Section.

(2) The Secretary of State shall be authorized to hire such staff as are necessary to aid the Assistant Secretary of State for Fossil Fuel Tax Reciprocity and Compliance in carrying out the Department of State’s responsibilities set forth herein.

SEC. 302. REQUIREMENTS SATISFYING FOREIGN RECIPROCITY AND COMPLIANCE.

(a) AUDIT OF FOREIGN COUNTRIES’ COMPLIANCE.—The Secretary of State shall prepare and by no later than July 1, 2020, submit to the Trade Representative and to the Chairmen and Ranking Members of the Senate and House Foreign Relations, Environment, and Energy Committees an annual audit report analyzing and reporting the compliance of every other country around the world as January 31, 2017 with the following objectives and certifying the

1 degree to which the foreign country is in full compliance:

2 (1) Adopting, implementing, enforcing and collecting a new and additional tax
3 that is at a rate that is at least as high as the annual tax rate for the respective years stated in the
4 definition of “annual tax rate,” as counted in the country’s own currency at the rate that the
5 country’s central bank exchanges with United States dollars at the close of business on January 2
6 of the year of the audit, measured at the point of extraction, on all fossil fuels extracted from the
7 earth within the country’s land and maritime borders by the method set forth in newly created
8 Tax Code section 9902 of Section 101, and imposing the same method and level of taxation on
9 all fossil fuels imported to the foreign country at that country’s border;

10 (2) Adopting, implementing, enforcing and collecting a comparable tax by the
11 method and at the rate set forth in newly created Tax Code section 9903 of Section 101 on
12 greenhouse gas emissions from non-fossil fuel, renewable sources;

13 (3) Adopting, implementing, enforcing and collecting a comparable tax by the
14 method and at the rate set forth in in newly created Tax Code section 9904 of Section 101 on
15 greenhouse gas emissions from non-fossil fuel, non-renewable, industrial sources;

16 (4) Adopting, implementing, enforcing and collecting a comparable tax by the
17 method and at the rate set forth in in newly created Tax Code section 9905 of Section 101 on
18 flourinated gas emissions;

19 (5) Adopting, implementing, enforcing and collecting a comparable tax by the
20 method and at the rate set forth in in newly created Tax Code section 9906 of Section 101 on
21 methane emitted from ruminant animals;

22 (6) Adopting, implementing, and offering a carbon sequestration and storage

1 incentive the same as the one set forth in newly created Tax Code section 9907 of Section 101;

2 (7) Eliminating any and all credits and subsidies for carbon dioxide use and for
3 enhanced petroleum recovery;

4 (8) Eliminating credits, subsidies, allowances, set-asides and targets for all
5 sources of energy or fuel, whether renewable or fossil, and for all enabling technologies,
6 equipment and infrastructure oriented specifically to any one of them;

7 (9) Adopting, implementing and enforcing environmental safeguards on biomass
8 preservation, cultivation and renewal comparable to the ones set forth in newly created Tax Code
9 section 9903(b) of Section 101;

10 (10) Eliminating all cap-and-trade regimes oriented to reducing carbon dioxide
11 emissions, and;

12 (11) Adopting, imposing, enforcing and collecting a double-tax on imports of
13 fossil fuels extracted in any country whom the Secretary of State has determined is not
14 complying with and enforcing the foregoing objectives and policies, and an additional import
15 duty on all non-fossil fuel goods exported by a second country that is failing to enforce this same
16 double-tax on non-complying fossil fuel producing countries, at the rates set forth in Section 303.

17 (b) PENALTIES.—The Secretary of State’s analysis and report required by the
18 subsection (a) shall take into account whether the country implemented its own, nationally-
19 enforceable fossil fuel tax oriented to combating global warming at any time since January 1,
20 2010 and if such tax is still in force as of January 2, 2020. Any country that has reduced its
21 domestic fossil fuel tax since January 1, 2017 shall be penalized according to Section 303 if by
22 January 2, 2020, it has not both (i) reimposed in full the domestic fossil fuel tax it had so

1 reduced, plus (ii) adopted, imposed, enforced and collected an additional level of fossil fuel tax,
2 reaching the rate and level of fossil fuel tax added by the America First, Comprehensive,
3 Worldwide, Fossil Fuel Tax Act of 2019 beginning on January 2, 2020.

4 (c) ANNUAL REPORT.— The Secretary of State shall, in every year subsequent to 2020,
5 prepare and by no later than July 1, submit to the Trade Representative and to the Chairmen and
6 Ranking Members of the Senate and House Foreign Relations, Environment and Energy
7 Committees an annual audit report analyzing the compliance of every other country around the
8 world as of January 2 of that year with the objectives set forth in the subsections (a) and (b),
9 except that the currency exchange rate for translating the country’s compliance with the annual
10 tax prescribed in this Section, for the purposes of this analysis and reporting, shall be the
11 exchange rate with United States dollars used by the country’s central bank as of January 2 of
12 that year.

13 (d) COOPERATION.—A country that fails to open its governmental accounts and
14 financial statements to enable the Secretary of State to conduct any audit analysis and report
15 required by this Section or to make an honest assessment of the country’s compliance with the
16 objectives set forth in subsections (a) and (b) of this Section shall be deemed by the Secretary of
17 State to have failed the audit conducted pursuant to subsection (a) or (c), and the Secretary of
18 State shall so certify this failure to the authorities identified in subsection (c).

19 **SEC. 303. IMPORT DUTIES FOR FAILURE TO RECIPROCATE.**

20 (a) FOSSIL FUEL-PRODUCING COUNTRIES.—The Trade Representative shall
21 impose double the annual tax rate on imports to the United States of fossil fuels as the rate set
22 forth in Section 101, whose country of export origin has not adopted, imposed, enforced and

1 collected the reciprocal tax on its domestic extraction of fossil fuels and creation of other energy
 2 sources set forth in Section 302 and is not in full compliance with all of the objectives set forth in
 3 subsections (a) and (b) of Section 302.

4 (b) OTHER COUNTRIES’ FAILURE TO PENALIZE NON-COMPLYING, FOSSIL
 5 FUEL-PRODUCING COUNTRIES.—The Trade Representative shall impose an additional
 6 import duty penalty of one (1) percent on the declared value of goods above the bound rates on
 7 all imports to the United States of goods that are not fossil fuels, whose non-fossil fuel goods’
 8 country of export origin has not adopted, imposed, enforced and collected the reciprocal tax set
 9 forth in Section 302 on its imports of fossil fuels from countries certified by the Secretary of
 10 State to be not in compliance with the America First, Comprehensive, Worldwide, Fossil Fuel
 11 Tax Act of 2019.

12 **SEC. 304. WORLD TRADE ORGANIZATION COMPLIANCE.**

13 (a) ARTICLE IX OF THE WORLD TRADE ORGANIZATION AGREEMENT.—It is
 14 the position of the United States that this America First, Comprehensive, Worldwide, Fossil Fuel
 15 Tax Act OF 2019 is complaint with its rights and duties under the World Trade Organization
 16 because this America First, Comprehensive, Worldwide, Fossil Fuel Tax Act of 2019 falls under
 17 General Exceptions (b) and (g) set forth in Article XX of the General Agreement on Tariffs and
 18 Trade as “necessary to protect human, animal or plant life or health” and “relating to the
 19 conservation of exhaustible natural resources[, a temperate atmosphere,] if such measures are
 20 made effective in conjunction with restrictions on domestic production or consumption,” and
 21 therefore, this America First, Comprehensive, Worldwide, Fossil Fuel Tax Act does not, as
 22 Article XX proscribes, “constitute a means of arbitrary or unjustifiable discrimination between

1 countries where the same conditions prevail, or a disguised restriction on international trade.”
2 Nonetheless, in defense of Section 303, within sixty (60) days of passage of the America First,
3 Comprehensive, Worldwide, Fossil Fuel Tax Act of 2019, the United States by its Trade
4 Representative, invoking Article IX of the World Trade Organization Agreement, shall apply to
5 the Ministerial Conference of the World Trade Organization for a waiver of its bound rates on
6 fossil fuels and other goods that the United States committed to in schedules annexed to the
7 Marrakesh Protocol to the General Agreement on Tariffs and Trade of 1994, to the extent and to
8 be implemented under the circumstances set forth in Section 303. Among other grounds that it
9 may determine, the Trade Representative shall cite as exceptional circumstances justifying its
10 application for a waiver and invocation of Article IX of the World Trade Organization
11 Agreement the following official statement of the World Trade Organization:

12 Climate change is the biggest sustainable development challenge
13 the international community has had to tackle to date. Measures to
14 address climate change need to be fully compatible with the
15 international community's wider ambitions for economic growth
16 and human advancement. It is a challenge that transcends borders
17 and requires solutions not only at national levels but at the
18 international level as well.

19 (b) PARALLEL ACTION BY RECIPROCATING COUNTRIES.—The Trade
20 Representative shall encourage other countries reciprocating and complying with their
21 obligations under Sections 302 and 303 to invoke Article IX of the World Trade Organization
22 Agreement and apply to the Ministerial Conference of the World Trade Organization for a waiver
23 of their bound rates on fossil fuels and other goods that they committed to in schedules annexed
24 to the Marrakesh Protocol to the General Agreement on Tariffs and Trade of 1994 or
25 subsequently, to the extent, and to be implemented under reciprocal circumstances, set forth in

1 Section 303.

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3 **TITLE IV—ALLOCATION OF REVENUE**

4 **SEC. 401.—** *INTENTIONALLY LEFT BLANK*

5 *(a political question – see Explanatory Memo for options and recommendations)*

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7 **TITLE V—OTHER PROVISIONS**

8 **SEC. 501.—PAYABLE TAX.**

9 All taxes and fees payable under the America First, Comprehensive, Worldwide, Fossil
10 Fuel Tax Act of 2019 shall be payable to the Internal Revenue Service.

11 **SEC. 502.—RECORD KEEPING.**

12 A responsible party shall be required to keep records of the carbon mole fraction and the
13 source location and quantity of fuel, biomass and energy extracted or harvested for a period of
14 five (5) years. A copy of these records shall pass along with an allotment of fuel up its chain of
15 custody to the point of sale or combustion.

16 **SEC. 503.—PENALTIES.**

17 Unless a fine or penalty is stated elsewhere in this America First, Comprehensive,
18 Worldwide, Fossil Fuel Tax Act of 2019 for conduct violating it, a breach of its provisions by a
19 person acting within the territory of the United States shall incur a civil fine and if the person’s
20 misconduct was wilful, a punitive monetary penalty and shall render the person guilty of a Class
21 1 Felony. The Department of Justice by its United States Attorney shall have authority to

1 prosecute civilly or criminally, as well as to seek temporary and permanent injunctive relief to
2 prevent harm.

3 **SEC. 504.—SEVERABILITY.**

4 If any provision of the America First, Comprehensive, Worldwide, Fossil Fuel Tax Act of
5 2019 or amendment made by the America First, Comprehensive, Worldwide, Fossil Fuel Tax
6 Act of 2019, or the application of a provision or amendment to any person or circumstance, is
7 held to be unconstitutional, the remainder of the America First, Comprehensive, Worldwide,
8 Fossil Fuel Tax Act of 2019 and amendments made by it, and the application of the provisions
9 and amendment to any person or circumstance, shall not be affected by the holding.