

118TH CONGRESS
2D SESSION

H. R. 9573

To impose an assessment related to fossil fuel emissions, to establish the
Polluters Pay Climate Fund, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 12, 2024

Mr. NADLER (for himself, Ms. CHU, Ms. NORTON, Ms. TLAIB, Mr. JOHNSON of Georgia, Mr. CARSON, Mr. HUFFMAN, Ms. BALINT, Mr. JACKSON of North Carolina, Mrs. RAMIREZ, Mr. GRIJALVA, Ms. LEE of Pennsylvania, Ms. SCHAKOWSKY, Mrs. WATSON COLEMAN, Mr. GOLDMAN of New York, Mr. RASKIN, Ms. OCASIO-CORTEZ, and Ms. BUSH) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Transportation and Infrastructure, and Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To impose an assessment related to fossil fuel emissions,
to establish the Polluters Pay Climate Fund, and for
other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Polluters Pay Climate
5 Fund Act of 2024”.

1 **SEC. 2. FINDINGS.**

2 Congress finds that—

3 (1) climate change, resulting primarily from the
4 combustion of fossil fuels, is an immediate, grave
5 threat to the communities, environment, and econ-
6 omy of the United States;

7 (2) severe consequences of climate change have
8 already materialized in the United States, including
9 rising sea levels, increasing temperatures, extreme
10 weather events, flooding, heat waves, loss of bio-
11 diversity, and other climate change-driven ecosystem
12 threats;

13 (3) the Federal Government jointly with States
14 and localities must develop and implement protective
15 measures to counteract the adverse effects of climate
16 change, protect communities, and build resilience to
17 extreme weather;

18 (4) the government response must include pro-
19 tections for communities that are most vulnerable to
20 climate change impacts, especially communities of
21 color, low-income communities, and Tribal and In-
22 digenous communities that are also more likely to
23 have experienced systemic disinvestment and be
24 overburdened by fossil fuel pollution;

25 (5) the protective measures necessary to re-
26 spond to the adverse effects of climate change in the

1 United States will require trillions of dollars of new
2 investment during the decade after the date of en-
3 actment of this Act;

4 (6) climate change related extreme weather
5 events, such as those described in paragraph (2),
6 cost the United States at least \$150,000,000,000
7 each year and disproportionately affect underserved
8 and overburdened communities, according to the
9 Fifth National Climate Assessment;

10 (7) the \$100,000,000,000 each year that fossil
11 fuel companies are collectively assessed for the Pol-
12 luters Pay Climate Fund established in this Act rep-
13 resents only a small portion of the total cost to the
14 Federal Government to respond to climate change
15 related extreme weather events and make needed cli-
16 mate change adaptation and resilience investments;

17 (8) peer-reviewed research can now determine
18 with great accuracy the share of carbon dioxide re-
19 leased into the atmosphere by the operations and
20 products of specific fossil fuel companies, which is
21 what informs the formulas to determine carbon diox-
22 ide emissions that are used in the amendments made
23 by this Act;

1 (9) the fossil fuel industry has been aware of
2 the central role that their product plays in causing
3 climate change since before the year 2000;

4 (10) the fossil fuel industry must now increase
5 their contribution to government expenditures to
6 protect the Nation from climate disaster; and

7 (11) this Act and assessments under the
8 amendments made by this Act are not intended—

9 (A) to be a determination of fault; or

10 (B) to have any impact on the ability of
11 any person or other government to hold pol-
12 luters accountable for harms caused.

13 **SEC. 3. TAX RELATING TO CURRENT STOCK OF GREEN-**
14 **HOUSE GAS EMISSIONS.**

15 (a) IN GENERAL.—Chapter 38 of the Internal Rev-
16 enue Code of 1986 is amended by adding at the end the
17 following new subchapter:

18 **“Subchapter E—Certain Fossil Fuel**
19 **Emissions**

“Sec. 4691. Imposition of tax.

20 **“SEC. 4691. IMPOSITION OF TAX.**

21 “(a) IMPOSITION.—Each assessable person shall pay
22 to the Secretary not later than the applicable payment
23 date a tax in an amount determined under subsection (b).

24 “(b) DETERMINATION OF AMOUNT.—

1 “(1) IN GENERAL.—With respect to each as-
2 sessable person, the tax under this section shall be
3 equal to an amount that bears the same ratio to
4 \$1,000,000,000,000 as—

5 “(A) the assessable person’s applicable
6 share of covered carbon dioxide emissions taken
7 into account under this section, bears to

8 “(B) the aggregate applicable shares of
9 covered carbon dioxide emissions of all assess-
10 able persons taken into account under this sec-
11 tion.

12 “(2) DETERMINATION OF APPLICABLE
13 SHARE.—

14 “(A) IN GENERAL.—The applicable share
15 of covered carbon dioxide emissions taken into
16 account under this section for any assessable
17 person shall be the excess (if any) of—

18 “(i) the covered carbon dioxide emis-
19 sions attributable to such person (deter-
20 mined in metric tons), as determined by
21 the Secretary based on product-related car-
22 bon dioxide emissions of such person, over

23 “(ii) 1,000,000,000 metric tons.

24 “(B) ADJUSTMENT.—The Secretary may
25 adjust the amount determined under subpara-

1 graph (A)(i) with respect to an assessable per-
2 son who is described in subsection (c)(3)(B)(ii)
3 (or who is a successor in interest to a person
4 described in such subsection) if such person es-
5 tablishes to the satisfaction of the Secretary
6 that a portion of such amount was—

7 “(i) attributable to the extraction of
8 crude oil by another assessable person who
9 is described in subsection (c)(3)(B)(i) (or a
10 successor in interest to a person described
11 in such subsection), and

12 “(ii) taken into account in deter-
13 mining such amount for such other assess-
14 able person.

15 “(c) ASSESSABLE PERSON.—For purposes of this
16 section—

17 “(1) IN GENERAL.—The term ‘assessable per-
18 son’ means—

19 “(A) any person that is described in para-
20 graph (2), or

21 “(B) any successor in interest to a person
22 described in paragraph (2).

23 “(2) PERSON DESCRIBED.—A person is de-
24 scribed in this paragraph if such person—

1 “(A) is a United States person or is en-
2 gaged in a trade or business within the United
3 States during the period beginning on the date
4 of the enactment of this Act and ending on De-
5 cember 31, 2024,

6 “(B) during any part of the covered pe-
7 riod, was engaged in the trade or business of—

8 “(i) extracting any fossil fuel, or

9 “(ii) refining any crude oil, and

10 “(C) is determined by the Secretary to be
11 responsible for more than 1,000,000,000 metric
12 tons of covered carbon dioxide emissions.

13 “(3) CONTROLLED GROUPS.—

14 “(A) IN GENERAL.—For purposes of this
15 subsection, all persons treated as a single em-
16 ployer under subsection (a) or (b) of section 52
17 or subsection (m) or (o) of section 414 shall be
18 treated as a single assessable person.

19 “(B) INCLUSION OF FOREIGN CORPORA-
20 TIONS.—For purposes of subparagraph (A), in
21 applying subsections (a) and (b) of section 52
22 to this section, section 1563 shall be applied
23 without regard to subsection (b)(2)(C) thereof.

24 “(4) JOINT AND SEVERAL LIABILITY.—If more
25 than one person is liable for payment of the tax

1 under subsection (a) with respect to a single assess-
2 able person by reason of the application of para-
3 graph (3), all such persons shall be jointly and sev-
4 erally liable for payment of such tax.

5 “(d) OTHER DEFINITIONS AND RULES.—For pur-
6 poses of this section—

7 “(1) APPLICABLE PAYMENT DATE.—The term
8 ‘applicable payment date’ means September 30,
9 2025.

10 “(2) COVERED CARBON DIOXIDE EMISSIONS.—
11 The term ‘covered carbon dioxide emissions’ means,
12 with respect to any person, the total quantity of car-
13 bon dioxide released into the atmosphere during the
14 covered period by reason such person engaging in
15 the trade or business of extracting fossil fuels or of
16 refining crude oil.

17 “(3) COVERED PERIOD.—The term ‘covered pe-
18 riod’ means the period that—

19 “(A) began on January 1, 2000, and

20 “(B) ended on December 31, 2022.

21 “(4) FOSSIL FUEL.—The term ‘fossil fuel’
22 means coal, crude oil, and fuel gases.

23 “(5) COAL.—The term ‘coal’ means anthracite,
24 bituminous, subbituminous, and lignite coal.

1 “(6) CRUDE OIL.—The term ‘crude oil’ means
2 oil or petroleum of any kind and in any form, includ-
3 ing bitumen, oil sands, heavy oil, conventional and
4 unconventional oil, shale oil, natural gas liquids, con-
5 densates, and related fossil fuel liquids.

6 “(7) FUEL GASES.—The term ‘fuel gases’
7 means natural gas, associated natural gas, conven-
8 tional and unconventional gas, shale gas, and related
9 methane gas production.

10 “(8) DETERMINATION OF CARBON DIOXIDE
11 EMISSIONS.—In determining the amount of carbon
12 dioxide emissions with respect to any assessable per-
13 son—

14 “(A) an amount equivalent to 942.5 metric
15 tons of carbon dioxide shall be treated as re-
16 leased for every 1,000,000 pounds of coal,

17 “(B) an amount equivalent to 432,180
18 metric tons of carbon dioxide shall be treated as
19 released for every 1,000,000 barrels of crude
20 oil, and

21 “(C) an amount equivalent to 54,440 met-
22 ric tons of carbon dioxide shall be treated as re-
23 leased for every 1,000,000,000 cubic feet of fuel
24 gases.

1 “(e) ELECTION TO PAY LIABILITY IN INSTALL-
2 MENTS.—

3 “(1) IN GENERAL.—An assessable person may
4 elect to pay the tax under this section in 9 annual
5 installments of the following amounts:

6 “(A) 20 percent of the tax under this sec-
7 tion in the case of the first installment.

8 “(B) 10 percent of the tax under this sec-
9 tion in each of the following 8 installments.

10 “(2) DATE FOR PAYMENT OF INSTALLMENTS.—

11 If an election is made under paragraph (1), the first
12 installment shall be paid on the applicable payment
13 date and each succeeding installment shall be paid
14 on the same date as the applicable payment date for
15 each calendar year following the calendar year with
16 respect to which the preceding installment was
17 made.

18 “(3) ACCELERATION OF PAYMENT.—If there is
19 an addition to tax for failure to timely pay any in-
20 stallment required under this subsection, a liquida-
21 tion or sale of substantially all the assets of the as-
22 sessable person (including in a title 11 or similar
23 case), a cessation of business by the assessable per-
24 son, or any similar circumstance, then the unpaid
25 portion of all remaining installments shall be due on

1 the date of such event (or in the case of a title 11
2 or similar case, the day before the petition is filed).
3 The preceding sentence shall not apply to the sale
4 of substantially all the assets of an assessable person
5 to a buyer if such buyer enters into an agreement
6 with the Secretary under which such buyer is liable
7 for the remaining installments due under this sub-
8 section in the same manner as if such buyer were
9 the assessable person.

10 “(4) PRORATION OF DEFICIENCY TO INSTALL-
11 MENTS.—If an election is made under paragraph (1)
12 to pay the tax under this section in installments and
13 a deficiency has been assessed with respect to such
14 tax, the deficiency shall be prorated to the install-
15 ments payable under paragraph (1). The part of the
16 deficiency so prorated to any installment the date
17 for payment of which has not arrived shall be col-
18 lected at the same time as, and as a part of, such
19 installment. The part of the deficiency so prorated
20 to any installment the date for payment of which
21 has arrived shall be paid upon notice and demand
22 from the Secretary. This subsection shall not apply
23 if the deficiency is due to negligence, to intentional
24 disregard of rules and regulations, or to fraud with
25 intent to evade tax.

1 “(5) ELECTION.—Any election under paragraph
2 (1) shall be made not later than the applicable pay-
3 ment date and shall be made in such manner as the
4 Secretary shall provide.

5 “(6) INSTALLMENTS NOT TO PREVENT CREDIT
6 OR REFUND OF OVERPAYMENTS OR INCREASE ESTI-
7 MATED TAXES.—If an election is made under para-
8 graph (1) to pay the tax under this section in in-
9 stallments—

10 “(A) no installment of such tax shall—

11 “(i) in the case of a request for credit
12 or refund, be taken into account as a li-
13 ability for purposes of determining whether
14 an overpayment exists for purposes of sec-
15 tion 6402 before the date on which such
16 installment is due, or

17 “(ii) for purposes of sections 6425,
18 6654, and 6655, be treated as a tax im-
19 posed by section 1, section 11, or sub-
20 chapter L of chapter 1, and

21 “(B) the first sentence of section 6403
22 shall not apply with respect to any such install-
23 ment.

24 “(f) REGULATIONS.—Not later than 18 months after
25 the date of enactment of this section, the Secretary shall

1 promulgate such regulations as are necessary to carry out
2 this section.”.

3 (b) NO DEDUCTION.—Section 275(a) of such Code
4 is amended by adding at the end the following new para-
5 graph:

6 “(7) Taxes imposed by subchapter E of chapter
7 38.”.

8 (c) CLERICAL AMENDMENT.—The table of sub-
9 chapters for chapter 38 of such Code is amended by add-
10 ing at the end the following new item:

“SUBCHAPTER E—CERTAIN FOSSIL FUEL EMISSIONS”.

11 **SEC. 4. POLLUTERS PAY CLIMATE FUND.**

12 (a) ESTABLISHMENT OF FUND.—

13 (1) IN GENERAL.—Subchapter A of chapter 98
14 of the Internal Revenue Code of 1986 is amended by
15 adding at the end the following new section:

16 **“SEC. 9512. POLLUTERS PAY CLIMATE FUND.**

17 “(a) ESTABLISHMENT.—There is established in the
18 Treasury of the United States a trust fund, to be known
19 as the ‘Polluters Pay Climate Fund’ (hereinafter in this
20 section referred to as the ‘Fund’), consisting of amounts
21 as are appropriated or credited to such Trust Fund as
22 provided in this section and section 9602(b).

23 “(b) TRANSFERS.—There are hereby appropriated to
24 the Fund amounts equivalent to the taxes received in the
25 Treasury under section 4691.

1 “(c) EXPENDITURES FROM THE FUND.—Amounts in
2 the fund shall be available, as provided in appropriations
3 Acts, for the purpose of making expenditures to carry out
4 the purposes of section 4(b) of the Polluters Pay Climate
5 Fund Act of 2024.”.

6 (2) CLERICAL AMENDMENT.—The table of sec-
7 tions for subchapter A of chapter 98 of such Code
8 is amended by adding at the end the following new
9 item:

“Sec. 9512. Polluters Pay Climate Fund.”.

10 (b) EXPENDITURES FROM FUND.—

11 (1) DEFINITIONS.—In this subsection:

12 (A) ADMINISTRATOR.—The term “Admin-
13 istrator” means the Administrator of the Envi-
14 ronmental Protection Agency.

15 (B) ENVIRONMENTAL JUSTICE COMMU-
16 NITY.—The term “environmental justice com-
17 munity” means a community with significant
18 representation of communities of color, low-in-
19 come communities, or Tribal and Indigenous
20 communities that experiences, or is at risk of
21 experiencing, higher or more adverse human
22 health or environmental effects as compared to
23 other communities.

24 (C) FUND.—The term “Fund” means the
25 Polluters Pay Climate Fund established under

1 section 9512 of the Internal Revenue Code of
2 1986.

3 (D) SECRETARY.—The term “Secretary”
4 means the Secretary of the Treasury.

5 (2) USE OF FUND AMOUNTS.—

6 (A) GENERAL PURPOSES.—The Secretary,
7 in consultation with the Administrator and the
8 heads of other relevant agencies, shall use
9 amounts in the Fund for the purposes of fur-
10 thering a comprehensive and equitable Federal
11 response to climate change impacts through in-
12 vestments in climate resilience, adaptation, dis-
13 aster response, and environmental justice, in-
14 cluding—

15 (i) climate-related disaster recovery
16 and mitigation support;

17 (ii) climate change adaptation support
18 through climate and disaster planning as-
19 sistance, funding for climate-resilient infra-
20 structure, and improved climate and ex-
21 treme weather prediction capabilities;

22 (iii) initiatives that increase the cli-
23 mate resilience of energy systems through
24 energy efficiency, grid resilience, and dis-
25 tributed electricity generation initiatives;

1 (iv) initiatives that increase the cli-
2 mate resilience of the food system through
3 support for climate-resilient farming prac-
4 tices;

5 (v) initiatives that increase the cli-
6 mate resilience of the transportation sys-
7 tem through planning and climate change
8 adaptation support;

9 (vi) initiatives that increase the cli-
10 mate resilience of ecosystems through con-
11 servation, restoration, and wildfire man-
12 agement activities;

13 (vii) support for climate-related public
14 health initiatives, including efforts to ad-
15 dress extreme heat; and

16 (viii) initiatives that increase the cli-
17 mate resiliency of drinking water and
18 stormwater infrastructure.

19 (B) SPECIFIED USES.—In carrying out
20 subparagraph (A) each fiscal year and to the
21 greatest extent practicable, the Secretary shall
22 use amounts in the Fund—

23 (i) to provide funding of not less than
24 \$15,000,000,000 to the Federal Emer-
25 gency Management Agency for response

1 and resilience programs of the Federal
2 Emergency Management Agency to ad-
3 dress climate-related disasters, including
4 hurricanes, flooding, extreme heat, and
5 wildfires, of which not less than
6 \$3,000,000,000 shall be used to carry out
7 the Building Resilient Infrastructure and
8 Communities program under section 203
9 of the Robert T. Stafford Disaster Relief
10 and Emergency Assistance Act (42 U.S.C.
11 5133); and

12 (ii) to provide funding of not less than
13 \$6,000,000,000 for grants and technical
14 assistance under section 138 of the Clean
15 Air Act (42 U.S.C. 7438), subject to the
16 condition that the Administrator may de-
17 termine the appropriate amounts to be
18 used for those grants and that technical
19 assistance.

20 (C) ENVIRONMENTAL JUSTICE SET
21 ASIDE.—Of the amounts appropriated from the
22 Fund each fiscal year, 40 percent shall be used
23 for investments that benefit environmental jus-
24 tice communities.

1 (D) SELECTION.—For the purpose of de-
2 termining how to award amounts appropriated
3 from the Fund in excess of the amounts re-
4 quired to be used under subparagraph (B), the
5 Secretary, in coordination with the Adminis-
6 trator and the heads of other relevant agencies,
7 shall establish selection criteria, which shall give
8 the highest priority to projects or other activi-
9 ties that are most impactful in achieving the
10 purposes described in subparagraph (A), as de-
11 termined by the Secretary, in coordination with
12 the Administrator and the heads of other rel-
13 evant agencies.

14 **SEC. 5. AVAILABILITY OF REMEDIES.**

15 (a) IN GENERAL.—Nothing in this Act or the amend-
16 ments made by this Act shall be construed to relieve any
17 person from liability at common law or under any State
18 or Federal law.

19 (b) EFFECT ON CLAIMS RELATED TO CLIMATE
20 CHANGE.—Nothing in this Act or the amendments made
21 by this Act, the Clean Air Act (42 U.S.C. 7401 et seq.),
22 or Federal common law preempts, displaces, or restricts
23 any right or remedy of any person, State, unit of local
24 government, or Tribal government under any State or

1 local law (including common law) relating to an allegation
2 of—

3 (1) deception concerning the effects of fossil
4 fuel on climate change;

5 (2) damage or injury resulting from the role of
6 fossil fuel in contributing to climate change; or

7 (3) the failure to avoid damage or injury re-
8 lated to climate change, including claims for nui-
9 sance, trespass, design defect, negligence, failure to
10 warn, or deceptive or unfair practices and claims for
11 injunctive, declaratory, monetary, or other relief.

12 (c) RULE OF CONSTRUCTION.—Nothing in this Act
13 or the amendments made by this Act shall—

14 (1) require the repayment of any funds made
15 available from the Polluters Pay Climate Fund es-
16 tablished under section 9512 of the Internal Rev-
17 enue Code of 1986 and used pursuant to section
18 4(b) as a result of any award of damages imposed
19 by a court of law relating to any causes of action or
20 allegations described in subsection (b); or

21 (2) permit the use of any such funds—

22 (A) as evidence in such an action or allega-
23 tion; or

24 (B) to offset any award of damages in
25 such an action or allegation.

1 **SEC. 6. NON-PREEMPTION OF AUTHORITIES.**

2 Nothing in this Act or the amendments made by this
3 Act shall be construed to preempt or supersede any State
4 or local law, regulation, policy, or program, including laws,
5 regulations, policies, and programs that—

6 (1) limit, set, or enforce standards for green-
7 house gas emissions;

8 (2) monitor, report, and keep records of green-
9 house gas emissions;

10 (3) provide cost recovery for climate adaptation,
11 mitigation, or resilience; or

12 (4) conduct or support investigations.

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