

112TH CONGRESS  
1ST SESSION

# H. R. 1814

To amend the Internal Revenue Code of 1986 to deny certain tax benefits to persons responsible for an oil spill if such person commits certain additional violations.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 10, 2011

Mr. ENGEL (for himself, Mr. WELCH, and Mr. JACKSON of Illinois) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to deny certain tax benefits to persons responsible for an oil spill if such person commits certain additional violations.

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 “Offending Oil Polluters  
5 Act of 2011”.

1 **SEC. 2. DENIAL OF CERTAIN TAX BENEFITS TO OFFENDING**  
 2 **OIL POLLUTERS.**

3 (a) IN GENERAL.—Subchapter B of chapter 1 of the  
 4 Internal Revenue Code of 1986 is amended by adding at  
 5 the end the following new part:

6 **“PART XII—DENIAL OF CERTAIN TAX BENEFITS**  
 7 **TO OFFENDING OIL POLLUTERS**

“Sec. 293. Denial of certain tax benefits to offending oil polluters.

8 **“SEC. 293. DENIAL OF CERTAIN TAX BENEFITS TO OFFEND-**  
 9 **ING OIL POLLUTERS.**

10 “(a) IN GENERAL.—In the case of an offending oil  
 11 polluter, no deduction or credit shall be allowed under this  
 12 chapter with respect to any amount paid or incurred in  
 13 connection with a discharge of oil referred to in subsection  
 14 (b)(1).

15 “(b) OFFENDING OIL POLLUTER.—For purposes of  
 16 this section, the term ‘offending oil polluter’ means—

17 “(1) any person that is a responsible party for  
 18 a vessel or a facility from which oil is discharged  
 19 (within the meaning of section 1002 of the Oil Pol-  
 20 lution Act of 1990 (33 U.S.C. 2702)) unless—

21 “(A) the person has met all of its obliga-  
 22 tions under such Act to provide compensation  
 23 for covered removal costs and damages, and

24 “(B) during the 7-year period ending on  
 25 the first date of such discharge, the person, in

1 connection with activities in the oil industry (in-  
2 cluding exploration, development, production,  
3 transportation by pipeline, and refining)—

4 “(i) was not found to have committed  
5 willful or repeated violations under the Oc-  
6 cupational Safety and Health Act of 1970  
7 (29 U.S.C. 651 et seq.) (including State  
8 plans approved under section 18(e) of such  
9 Act (29 U.S.C. 667(c))) at a rate that is  
10 higher than five times the rate determined  
11 by the Secretary, in consultation with the  
12 Secretary of the Interior, to be the oil in-  
13 dustry average for such violations for such  
14 period,

15 “(ii) was not convicted of a criminal  
16 violation for death or serious bodily injury,

17 “(iii) did not have more than 10 fa-  
18 talities at its exploration, development, and  
19 production facilities and refineries as a re-  
20 sult of violations of Federal or State  
21 health, safety, or environmental laws,

22 “(iv) was not assessed, did not enter  
23 into an agreement to pay, and was not oth-  
24 erwise required to pay, civil penalties and  
25 criminal fines for violations the person was

1 found to have committed under the Fed-  
2 eral Water Pollution Control Act (33  
3 U.S.C. 1251 et seq.) (including State pro-  
4 grams approved under sections 402 and  
5 404 of such Act (33 U.S.C. 1342 and  
6 1344)) in a total amount that is equal to  
7 more than \$10,000,000, and

8 “(v) was not assessed, did not enter  
9 into an agreement to pay, and was not oth-  
10 erwise required to pay, civil penalties and  
11 criminal fines for violations the person was  
12 found to have committed under the Clean  
13 Air Act (42 U.S.C. 7401 et seq.) (includ-  
14 ing State plans approved under section  
15 110 of such Act (42 U.S.C. 7410)) in a  
16 total amount that is equal to more than  
17 \$10,000,000, and

18 “(2) any person who is a member of the same  
19 expanded affiliated group (as defined in section  
20 1471(e)(2)) as a person described in paragraph  
21 (1).”.

22 (b) CLERICAL AMENDMENT.—The table of parts for  
23 subchapter B of chapter 1 of such Code is amended by  
24 adding at the end the following new item:

“PART XII. DENIAL OF CERTAIN TAX BENEFITS TO OFFENDING OIL  
POLLUTERS”.

1           (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to amounts paid or incurred after  
3 December 31, 2010.

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