

117TH CONGRESS  
2D SESSION

# H. R. 9645

To cap the emissions of greenhouse gases through a requirement to purchase carbon permits, to distribute the proceeds of such purchases to eligible individuals, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

DECEMBER 21, 2022

Mr. BEYER introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, 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

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## A BILL

To cap the emissions of greenhouse gases through a requirement to purchase carbon permits, to distribute the proceeds of such purchases to eligible individuals, 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 “Healthy Climate and  
5   Family Security Act of 2022”.

### 6   **SEC. 2. FINDINGS.**

7       The Congress finds the following:

1           (1) Carbon dioxide and other greenhouse gas  
2           emissions continue to rise.

3           (2) The warming of our planet has led to more  
4           frequent, dangerous and expensive extreme weather  
5           events, including heat waves, storms, fires, droughts,  
6           floods and tornadoes.

7           (3) A 2018 report by the Intergovernmental  
8           Panel on Climate Change (IPCC) recommends that  
9           serious efforts be made to limit global warming to  
10          1.5 °C, which would require that CO<sub>2</sub> emissions fall  
11          by 45 percent below 2010 levels by 2030, reaching  
12          net zero by the middle of this century.

13          (4) The atmosphere is a common resource that  
14          belongs equally to all.

15          (5) Stabilizing the climate can and must be  
16          done in a way that supports vibrant economic  
17          growth and a thriving middle class.

18          (6) Stabilizing the climate can and must be  
19          done in a way that supports environmental justice  
20          by reducing pollution affecting communities that  
21          have suffered disproportionately from hazards arising  
22          from the extraction and combustion of fossil  
23          fuels and supports community right-to-know reporting  
24          on emissions from fossil fuel combustion.

1           (7) Legislation to address climate change and  
 2           accelerate the transition to a clean energy economy  
 3           must be fair, transparent and built to last.

4   **SEC. 3. AUCTION OF CARBON PERMITS AND DISTRIBUTION**  
 5                   **OF HEALTHY CLIMATE DIVIDENDS.**

6           (a) IN GENERAL.—The Internal Revenue Code of  
 7   1986 is amended by adding at the end the following new  
 8   subtitle:

9   **“Subtitle L—Auction of Carbon**  
 10   **Permits and Distribution of**  
 11   **Healthy Climate Dividends**

“Chapter 101. Cap and Dividend Program Rules.

“Chapter 102. Healthy Climate Dividends.

“Chapter 103. Border Adjustments.

12   **“CHAPTER 101—CAP AND DIVIDEND**  
 13                   **PROGRAM RULES**

“Sec. 9901. Definitions.

“Sec. 9902. Carbon permits.

“Sec. 9903. Auctions.

“Sec. 9904. Compliance obligation.

“Sec. 9905. Penalty for noncompliance.

“Sec. 9906. Tracking.

“Sec. 9907. Banking.

“Sec. 9908. Environmental justice.

14   **“SEC. 9901. DEFINITIONS.**

15           “For purposes of this subtitle:

16           “(1) ADMINISTRATOR.—The term ‘Adminis-  
 17           trator’ means the Administrator of the Environ-  
 18           mental Protection Agency.

1           “(2) CARBON PERMIT.—The term ‘carbon per-  
2       mit’ means a carbon permit established by the Sec-  
3       retary under section 9902(a).

4           “(3) COVERED ENTITY.—The term ‘covered en-  
5       tity’ means—

6           “(A) in the case of crude oil—

7               “(i) any producer of crude oil oper-  
8               ating in the United States, and

9               “(ii) any importer of crude oil, petro-  
10              leum, or any petroleum product into the  
11              United States,

12          “(B) in the case of coal—

13               “(i) any coal mine operating in the  
14               United States, and

15               “(ii) any importer of coal into the  
16               United States, and

17          “(C) in the case of natural gas—

18               “(i) any entity required to submit a  
19               report to the Energy Information Agency  
20               on Form 176 by reason of delivering nat-  
21               ural gas to an end user, and

22               “(ii) any natural gas processor not de-  
23               scribed in clause (i) with respect to sales of  
24               natural gas in the United States.

1           “(4) COVERED FUEL.—The term ‘covered fuel’  
2       means crude oil, natural gas, coal, or any other  
3       product derived therefrom for use as a combustible  
4       fuel offered for sale in United States markets.

5           “(5) CRUDE OIL.—The term ‘crude oil’ includes  
6       crude oil condensates, natural gasoline, shale oil, any  
7       bitumen or bituminous mixture, any oil derived from  
8       a bitumen or bituminous mixture, and any oil de-  
9       rived from kerogen-bearing sources.

10          “(6) FAIR MARKET VALUE.—The term ‘fair  
11       market value’ means the average auction price for  
12       carbon permits during the 4 quarters immediately  
13       preceding a failure to surrender, when required  
14       under section 9904, the required number of carbon  
15       permits under such section.

16          “(7) STATE.—The term ‘State’ means the sev-  
17       eral States, the District of Columbia, the Common-  
18       wealth of Puerto Rico, the United States Virgin Is-  
19       lands, Guam, American Samoa, the Commonwealth  
20       of the Northern Mariana Islands, and any other  
21       commonwealth, territory, or possession of the United  
22       States.

23          “(8) VINTAGE YEAR.—The term ‘vintage year’  
24       means the calendar year for which a carbon permit  
25       is established under section 9902.

1           “(9) CO-POLLUTANT.—The term ‘co-pollutant’  
2       means—

3           “(A) any criteria pollutant for which there  
4       are national ambient air quality standards  
5       under section 109 of the Clean Air Act (42  
6       U.S.C. 7409), and

7           “(B) any precursor to such a criteria pol-  
8       lutant which is released in fossil fuel combus-  
9       tion.

10          “(10) FRONTLINE COMMUNITIES.—The term  
11       ‘frontline communities’ means locations in which mi-  
12       nority populations and low-income populations in the  
13       United States and its territories and possessions, the  
14       District of Columbia, the Commonwealth of Puerto  
15       Rico, and the Commonwealth of the Mariana Islands  
16       are exposed to disproportionately high and adverse  
17       human health or environmental effects of air pollu-  
18       tion.

19       **“SEC. 9902. CARBON PERMITS.**

20          “(a) IN GENERAL.—The Secretary, in consultation  
21       with the Administrator, shall establish a separate quantity  
22       of carbon permits for calendar year 2023 and each cal-  
23       endar year thereafter, as set forth under subsection (b).

24          “(b) EMISSIONS REDUCTION SCHEDULE.—

1           “(1) IN GENERAL.—The quantity of carbon  
2           permits established by the Secretary, in consultation  
3           with the Administrator, under subsection (a) for any  
4           calendar year before 2050 that is between the near-  
5           est target years specified in paragraph (2) preceding  
6           and succeeding such calendar year shall be the quan-  
7           tity of such permits that represents an equal, pro  
8           rata reduction from the preceding year to the suc-  
9           ceeding year.

10           “(2) TARGETS.—

11           “(A) INITIAL TARGET.—The quantity of  
12           carbon permits established for 2023 shall be  
13           equal to 15 percent less than the number of  
14           metric tons of carbon dioxide emitted in the  
15           United States in 2015.

16           “(B) DECADAL TARGETS.—The quantity  
17           of carbon permits established for—

18           “(i) 2027 shall be equal to 35 percent  
19           less than the number of metric tons of car-  
20           bon dioxide emitted in the United States in  
21           2015,

22           “(ii) 2030 shall be equal to 50 percent  
23           less than the number of metric tons of car-  
24           bon dioxide emitted in the United States in  
25           2015,

1 “(iii) 2038 shall be equal to 60 per-  
2 cent less than the number of metric tons  
3 of carbon dioxide emitted in the United  
4 States in 2015,

5 “(iv) 2044 shall be equal to 80 per-  
6 cent less than the number of metric tons  
7 of carbon dioxide emitted in the United  
8 States in 2015, and

9 “(v) 2050 shall be equal to 90 percent  
10 less than the number of metric tons of car-  
11 bon dioxide emitted in the United States in  
12 2015.

13 “(3) REPORTS.—

14 “(A) CALENDAR YEAR 2050.—In 2050 the  
15 Secretary, after consultation with the Adminis-  
16 trator, shall submit a report to Congress mak-  
17 ing recommendations concerning the program  
18 established under this subtitle for years after  
19 2050, including the quantity of carbon permits  
20 to be established and any reductions that may  
21 be necessary to ensure a net zero carbon econ-  
22 omy and a healthy climate.

23 “(B) AVERTING CATASTROPHIC CLIMATIC  
24 IMPACT.—Not later than 4 years after the date  
25 of the enactment of this section, and every 4



1 years thereafter, the Secretary shall report to  
2 Congress on any recommended revisions to the  
3 decadal targets under paragraph (2) and the  
4 basis for those recommendations if the Sec-  
5 retary, after consultation with the Adminis-  
6 trator, determines the emissions reductions tar-  
7 gets under this subsection should be further  
8 tightened in order to—

9 “(i) reach a net-zero carbon economy  
10 by 2050, or

11 “(ii) avert catastrophic climate im-  
12 pacts.

13 “(c) IDENTIFICATION NUMBERS.—The Secretary  
14 shall assign to each carbon permit established under sub-  
15 section (a) a unique identification number that includes  
16 the vintage year for that carbon permit.

17 “(d) LEGAL STATUS OF CARBON PERMITS.—

18 “(1) IN GENERAL.—A carbon permit does not  
19 constitute a property right.

20 “(2) TERMINATION OR LIMITATION.—Nothing  
21 in this subtitle or any other provision of law shall be  
22 construed to limit or alter the authority of the  
23 United States, including the Secretary acting pursu-  
24 ant to statutory authority, to terminate or limit a  
25 carbon permit.

1           “(3) OTHER PROVISIONS UNAFFECTED.—Noth-  
2           ing in this subtitle relating to carbon permits issued  
3           under this section shall affect the application of any  
4           other provision of law to a covered entity (including  
5           the Clean Air Act), or the responsibility for a cov-  
6           ered entity to comply with any such provision of law.  
7           Regional and State greenhouse gas initiatives are  
8           not preempted by this subtitle.

9           “(e) REGULATIONS.—Not later than December 31,  
10          2023, the Secretary shall promulgate regulations to carry  
11          out the provisions of this subtitle.

12       **“SEC. 9903. AUCTIONS.**

13           “(a) PERIODIC AUCTIONS.—The Secretary shall con-  
14          duct periodic public auctions of carbon permits established  
15          under section 9902(a). The Secretary shall conduct at  
16          least 1 such auction in each calendar quarter of each year  
17          for which carbon permits are established, and shall dis-  
18          tribute the available permits for each such year pro rata  
19          among the quarters of such year.

20           “(b) AUCTION RULES.—The Secretary shall—

21                   “(1) limit auction participation only to covered  
22                   entities,

23                   “(2) establish a limit on the amount of carbon  
24                   permits that can be purchased by a single entity at  
25                   each auction and an aggregate limit on the total

1 amount of permits that can be held by a single enti-  
2 ty at any one time that—

3 “(A) reflects anticipated sector and partici-  
4 pant demand,

5 “(B) prevents speculation, manipulation,  
6 or hoarding of permits, and

7 “(C) does not interfere with normal mar-  
8 ket competition, and

9 “(3) set a minimum permit price at the initial  
10 auction of \$40 per ton of carbon dioxide that will be  
11 released when the covered fuel is burned, increase  
12 this minimum price by \$10 in each successive year  
13 and adjust for inflation, and have the authority to  
14 set higher minimum permit prices.

15 “(c) UNSOLD PERMITS.—Any carbon permit unsold  
16 at the auction at which it is offered shall expire.

17 **“SEC. 9904. COMPLIANCE OBLIGATION.**

18 “(a) IN GENERAL.—Not later than April 1, 2023,  
19 and April 1 of each year thereafter, each covered entity  
20 shall surrender to the Secretary a quantity of carbon per-  
21 mits at least as great as the number of metric tons of  
22 carbon dioxide that the Secretary, in consultation with the  
23 Administrator, determines would be emitted by the com-  
24 bustion of covered fuels with respect to which the covered

1 entity made the first sale in United States markets during  
2 the previous calendar year.

3 “(b) USE TREATED AS SALE.—For purposes of sub-  
4 section (a), consumption for an emitting use by the cov-  
5 ered entity of covered fuels produced by the covered entity  
6 shall be treated as a first sale.

7 **“SEC. 9905. PENALTY FOR NONCOMPLIANCE.**

8 “(a) IN GENERAL.—Any covered entity that fails for  
9 any year to surrender, by the deadline described in section  
10 9904, one or more of the carbon permits due pursuant  
11 to such section shall be required to surrender permits in  
12 order to meet this past due obligation and shall be liable  
13 for payment to the Secretary of a penalty in the amount  
14 described in subsection (b).

15 “(b) AMOUNT.—The amount of a penalty required to  
16 be paid under subsection (a) shall be equal to the product  
17 obtained by multiplying—

18 “(1) the number of carbon permits that the cov-  
19 ered entity failed to surrender by the deadline, by

20 “(2) 3 times the fair market value of carbon  
21 permits issued for emissions occurring in the cal-  
22 endar year for which the carbon permits were due.

23 “(c) TIMING.—A penalty required under this section  
24 shall be immediately due and payable to the Secretary,  
25 without demand, in accordance with regulations promul-

1 gated by the Secretary, which shall be issued not later  
2 than 1 year after the date of enactment of this subtitle.

3 “(d) NO EFFECT ON LIABILITY.—A penalty due and  
4 payable by the covered entity under this section shall not  
5 diminish the liability of the covered entity for any fine,  
6 penalty, or assessment against the covered entity for the  
7 same violation under any other provision of law.

8 “(e) PENALTY NOT DEDUCTIBLE.—No deduction  
9 shall be allowed under subtitle A for a penalty paid under  
10 this section.

11 **“SEC. 9906. TRACKING.**

12 “The regulations promulgated under section 9902(e)  
13 shall include a system for issuing, recording, holding, and  
14 tracking carbon permits that shall specify all necessary  
15 procedures and requirements for an orderly and competi-  
16 tive functioning of the carbon permit system. Such regula-  
17 tions shall provide for appropriate publication of the infor-  
18 mation in the system on the Internet.

19 **“SEC. 9907. BANKING.**

20 “(a) BANKING.—A carbon permit may be used to  
21 meet the compliance obligation requirements of section  
22 9904 for emissions only in the permit’s vintage year, the  
23 year prior, or the year following. At least 80 percent of  
24 permits used by an entity to meet its compliance obligation  
25 for a year must be of that year’s vintage. The Secretary

1 shall have the authority to establish stricter requirements  
2 for the percentage of the compliance obligation for a year  
3 that must be met with permits of that year’s vintage, and  
4 to establish penalties for failure to comply.

5 “(b) EXPIRATION.—A carbon permit shall expire  
6 when—

7 “(1) it is surrendered to the Secretary under  
8 section 9904,

9 “(2) it has been held by a covered entity and  
10 has not been surrendered to the Secretary under sec-  
11 tion 9904 within 18 months after the end of its vin-  
12 tage year, or

13 “(3) the Secretary determines by regulation  
14 that expiration is necessary to ensure the authen-  
15 ticity and integrity of carbon permits or the carbon  
16 permit tracking system.

17 **“SEC. 9908. ENVIRONMENTAL JUSTICE.**

18 “(a) IN GENERAL.—This chapter shall be imple-  
19 mented to the extent practicable to ensure that reductions  
20 in carbon emissions are accompanied by commensurate re-  
21 ductions in emissions of co-pollutants from fossil fuel com-  
22 bustion that impact frontline communities.

23 “(b) REPORT ON AIR QUALITY METHODS DEVELOP-  
24 MENT.—Not later than 1 year after the date of enactment  
25 of this section, the Administrator shall submit to Congress

1 a report detailing efforts to increase air quality monitoring  
2 deployment and technical assistance at the Federal, State,  
3 local, and tribal level.

4 “(c) AIR QUALITY MONITORING IN FRONTLINE COM-  
5 MUNITIES.—The Administrator (or the Administrator’s  
6 delegate) is authorized to provide for trends monitoring  
7 of ambient air quality in frontline communities and moni-  
8 toring of co-pollutant emissions from sources located in  
9 or near such communities that impact their pollution bur-  
10 den. Not later than 3 years after the date of the enactment  
11 of this section, any information from such monitors shall  
12 be recorded and reported at the level of monitor and pol-  
13 lutant, and made available to the public to support effec-  
14 tive community participation in the making of environ-  
15 mental policies.

16 “(d) ENVIRONMENTAL JUSTICE GUARANTEE.—In  
17 cases where co-pollutant emissions impacting frontline  
18 communities have not declined at a rate equal to the car-  
19 bon dioxide emissions targets established in section  
20 9902(b)(2), the Administrator is authorized to implement  
21 or promulgate additional regulatory measures to ensure  
22 such reductions.

23 “(e) ENVIRONMENTAL JUSTICE REVIEW.—Not later  
24 than 4 years after the date of enactment of this section,  
25 and annually thereafter, the Administrator shall imple-

1 ment an annual review to determine frontline commu-  
 2 nities, evaluate the effects of the enactment of this chapter  
 3 on environmental justice, and recommend further correc-  
 4 tive measures if needed.

5 “(f) APPROPRIATIONS.—Out of any money in the  
 6 Treasury not otherwise appropriated, there shall be appro-  
 7 priated such sums as are necessary to carry out the pur-  
 8 poses of this section, to remain available until expended.

9 **“CHAPTER 102—HEALTHY CLIMATE**  
 10 **DIVIDENDS**

“Sec. 9911. Healthy Climate Trust Fund.

“Sec. 9912. Healthy Climate Dividend Payments.

“Sec. 9913. Transparency.

11 **“SEC. 9911. HEALTHY CLIMATE TRUST FUND.**

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

17 “(b) TRANSFERS.—

18 “(1) PROCEED AMOUNTS.—There are appro-  
 19 priated to the Healthy Climate Trust Fund amounts  
 20 equivalent to funds received as proceeds under sec-  
 21 tion 9903.

22 “(2) PENALTY AMOUNTS.—There are appro-  
 23 priated to the Healthy Climate Trust Fund amounts



1 equivalent to funds received as penalties under sec-  
2 tion 9905.

3 “(c) EXPENDITURES.—

4 “(1) ADMINISTRATIVE EXPENSES.—Out of any  
5 amounts in the Treasury not otherwise appropriated,  
6 there shall be appropriated such sums as are nec-  
7 essary to pay the administrative expenses necessary  
8 to carry out this chapter.

9 “(2) HEALTHY CLIMATE DIVIDEND PAY-  
10 MENTS.—Amounts in the Healthy Climate Trust  
11 Fund not used under paragraph (1) for any month  
12 shall be available for making Healthy Climate Divi-  
13 dend Payments under section 9912.

14 **“SEC. 9912. HEALTHY CLIMATE DIVIDEND PAYMENTS.**

15 “(a) IN GENERAL.—For purposes of this section:

16 “(1) HEALTHY CLIMATE DIVIDEND PAY-  
17 MENT.—The term ‘Healthy Climate Dividend Pay-  
18 ment’ means the individual pro rata share, as deter-  
19 mined by the Secretary, of amounts available for any  
20 quarter in the Healthy Climate Trust Fund under  
21 section 9911(c)(2). The amounts so available for any  
22 quarter shall be equal to the proceeds from auctions  
23 conducted under section 9903 in the preceding cal-  
24 endar quarter.

25 “(2) ELIGIBLE INDIVIDUAL.—

1           “(A) IN GENERAL.—The term ‘eligible in-  
2           dividual’ means, with respect to any quarter,  
3           any individual with a valid social security num-  
4           ber (other than a nonresident alien individual)  
5           who is lawfully present in the United States for  
6           such quarter, as determined and verified by the  
7           Secretary in consultation with any other Fed-  
8           eral entity the Secretary determines appro-  
9           priate.

10           “(B) OPT OUT.—An individual may elect  
11           not to be treated as an eligible individual.

12           “(b) PAYMENT OF HEALTHY CLIMATE DIVIDEND.—  
13           From amounts made available under section 9911(c)(2),  
14           the Secretary shall make a Healthy Climate Dividend Pay-  
15           ment not later than the end of the calendar quarter fol-  
16           lowing the calendar quarter in which such amounts are  
17           appropriated to the Healthy Climate Trust Fund under  
18           section 9911 to each eligible individual for that quarter.  
19           Such payments shall be made by electronic means to the  
20           maximum extent practicable.

21           “(c) EXCLUSION FROM GROSS INCOME.—Gross in-  
22           come shall not include any Healthy Climate Dividend paid  
23           under this section.

1 “(d) REGULATIONS.—The Secretary shall prescribe  
 2 such regulations and other guidance as may be necessary  
 3 or appropriate to carry out this section.

4 **“SEC. 9913. TRANSPARENCY.**

5 “(a) REPORT TO CONGRESS.—Not later than June  
 6 30, 2024, and at least annually thereafter, the Secretary  
 7 shall transmit to Congress a report accounting for the dis-  
 8 position of amounts in the Healthy Climate Trust Fund  
 9 in the previous calendar year.

10 “(b) HEALTHY CLIMATE TRUST FUND WEBSITE.—  
 11 Not later than 90 days after the date of the enactment  
 12 of this subtitle, the Secretary shall establish and maintain  
 13 a website to provide the public with information on the  
 14 disposition of any amounts in the Healthy Climate Trust  
 15 Fund.

16 **“CHAPTER 103—BORDER ADJUSTMENTS**

“Sec. 9921. Carbon equivalency fee.

“Sec. 9922. Definitions.

“Sec. 9923. Sense of Congress.

17 **“SEC. 9921. CARBON EQUIVALENCY FEE.**

18 “(a) IMPORTS.—The Secretary shall impose carbon  
 19 equivalency fees to be collected by the Commissioner re-  
 20 sponsible for U.S. Customs and Border Control on imports  
 21 of carbon-intensive goods. The amount of the carbon  
 22 equivalency fee shall be equal to the cost that domestic  
 23 producers of a comparable carbon-intensive good incur as  
 24 a result of—

1           “(1) prices paid in the acquisition of carbon  
2           permits by covered entities under this subtitle, and

3           “(2) carbon equivalency fees paid by importers  
4           of carbon-intensive goods used in the production of  
5           the comparable carbon-intensive good.

6           “(b) PAYMENTS TO EXPORTERS.—The Secretary  
7           shall pay without interest to entities exporting from the  
8           United States carbon-intensive goods produced in the  
9           United States. The amount of the payment shall be equal  
10          to the cost that domestic producers of the carbon-intensive  
11          good incur as a result of—

12           “(1) prices paid in the acquisition of carbon  
13           permits by covered entities under this subtitle, and

14           “(2) carbon equivalency fees paid by importers  
15           of carbon-intensive goods used in the production of  
16           the comparable carbon-intensive good.

17           “(c) EXPIRATION.—This section shall cease to have  
18          effect at such time as and to the extent that—

19           “(1) an international agreement requiring coun-  
20           tries that emit greenhouse gases and produce car-  
21           bon-intensive goods for export markets to adopt  
22           equivalent measures comes into effect, or

23           “(2) the country of export has implemented  
24           equivalent measures, as determined by the Sec-  
25          retary, in consultation with the Secretary of State.

1   **“SEC. 9922. DEFINITIONS.**

2       “In this chapter:

3           “(1) CARBON-INTENSIVE GOOD.—The term  
4       ‘carbon-intensive good’ means a good that, as identi-  
5       fied by the Secretary, in consultation with the Ad-  
6       ministrator, by rule—

7           “(A) is a primary product, or

8           “(B) is a manufactured item in which one  
9       or more primary products are inputs and the  
10      cost of production of which in the United States  
11      is significantly increased by reason of the re-  
12      quirements under this subtitle.

13          “(2) PRIMARY PRODUCT.—The term ‘primary  
14      product’ means—

15          “(A) iron, steel, steel mill products (includ-  
16      ing pipe and tube), aluminum, cement, glass  
17      (including flat, container, and specialty glass  
18      and fiberglass), pulp, paper, chemicals, or in-  
19      dustrial ceramics, and

20          “(B) any other manufactured product that  
21      the Secretary, in consultation with the Adminis-  
22      trator, determines—

23           “(i) is sold for purposes of further  
24      manufacture, and

25           “(ii) generates, in the course of the  
26      manufacture of the product, direct and in-

1 direct greenhouse gas emissions that are  
2 comparable (on an emissions-per-dollar of  
3 output basis) to emissions generated in the  
4 manufacture or production of a primary  
5 product identified in subparagraph (A).

6 “(3) EQUIVALENT MEASURE.—The term ‘equiv-  
7 alent measure’ means a tax, or other regulatory re-  
8 quirement that imposes a cost, on manufacturers of  
9 carbon-intensive goods located outside the United  
10 States, by reason of greenhouse gas emissions in the  
11 production of such goods by such manufacturers, ap-  
12 proximately equal to the cost imposed by this sub-  
13 title on manufacturers of comparable carbon-inten-  
14 sive goods located in the United States.

15 **“SEC. 9923. SENSE OF CONGRESS.**

16 “It is the sense of Congress that the United States  
17 should work proactively under the United Nations Frame-  
18 work Convention on Climate Change and in other appro-  
19 priate fora, to establish binding agreements committing all  
20 major greenhouse gas emitting countries and countries  
21 with globally competitive producers of carbon-intensive  
22 goods to contribute equitably to the reduction of global  
23 greenhouse gas emissions on a schedule and order of mag-  
24 nitude necessary to stabilize the climate.”.

1 (b) CLERICAL AMENDMENT.—The table of subtitles  
 2 for the Internal Revenue Code of 1986 is amended by add-  
 3 ing at the end the following new item:

“Subtitle L. Auction of Carbon Permits and Distribution of Healthy Climate  
 Dividends.”.

4 **SEC. 4. NON-AUCTION GREENHOUSE GASES.**

5 (a) DEFINITIONS.—In this section:

6 (1) The term “Administrator” means the Ad-  
 7 ministrator of the Environmental Protection Agency.

8 (2) The term “non-auction greenhouse gas” re-  
 9 fers to the gases included on the list in effect under  
 10 subsection (b).

11 (b) LIST OF NON-AUCTION GREENHOUSE GASES.—

12 (1) INITIAL LIST.—Not later than 2 years after  
 13 the date of the enactment of this Act, the Adminis-  
 14 trator, by rule, shall finalize and publish a list  
 15 that—

16 (A) consists of the anthropogenically emit-  
 17 ted gases that are determined by the Adminis-  
 18 trator to contribute to global warming; and

19 (B) excludes gases to the extent they are—

20 (i) carbon dioxide emitted by the com-  
 21 bustion of a covered fuel (as such term is  
 22 defined in section 9901 of the Internal  
 23 Revenue Code of 1986, as added by section  
 24 3(a) of this Act); or

1 (ii) directly attributable to the produc-  
2 tion of animals for food or food products.

3 (2) UPDATES.—The Administrator shall peri-  
4 odically review and, as appropriate, update the list  
5 under paragraph (1).

6 (c) REGULATIONS.—

7 (1) IN GENERAL.—Under the authorities vested  
8 in the Administrator by the Clean Air Act (42  
9 U.S.C. 7401 et seq.) and any other applicable law  
10 (other than this section), the Administrator shall  
11 promulgate regulations addressing the contribution  
12 of non-auction greenhouse gases to global warming.

13 (2) INTERNATIONAL COMPETITIVENESS.—In  
14 promulgating regulations under this subsection, the  
15 Administrator shall take into consideration the effect  
16 of such regulations on the international competitive-  
17 ness of businesses and industries of the United  
18 States.

19 (d) SCHEDULE.—

20 (1) IN GENERAL.—The regulations under sub-  
21 section (c) shall ensure that—

22 (A) not later than 4 years after the date  
23 of enactment of this Act, requirements take ef-  
24 fect to regulate sources which, collectively, emit



1 not less than 25 percent of non-auction green-  
2 house gases emitted in the United States;

3 (B) not later than 6 years after the date  
4 of enactment of this Act, requirements take ef-  
5 fect to regulate sources which, collectively, emit  
6 not less than 50 percent of non-auction green-  
7 house gases emitted in the United States;

8 (C) not later than 8 years after the date  
9 of enactment of this Act, requirements take ef-  
10 fect to regulate sources which, collectively, emit  
11 not less than 75 percent of non-auction green-  
12 house gases emitted in the United States; and

13 (D) not later than 10 years after the date  
14 of enactment of this Act, requirements take ef-  
15 fect to regulate sources which, collectively, emit  
16 100 percent of non-auction greenhouse gases  
17 emitted in the United States.

18 (2) BASELINE.—The percentages specified in  
19 paragraph (1) shall be applied relative to the aggre-  
20 gate quantity of non-auction greenhouse gases emit-  
21 ted in the United States during the calendar year in  
22 which the initial list under subsection (b)(1) is re-  
23 quired to be finalized by such subsection.

1       (e) PRIORITIES.—In determining priorities for regu-  
2     lating the emissions of non-auction greenhouse gases  
3     under subsection (c), the Administrator shall consider—

4             (1) the degree to which the gases involved con-  
5     tribute to global warming; and

6             (2) the speed with which a given reduction  
7     would contribute to stabilizing the climate.

8       (f) CITIZEN SUITS.—The provisions of section 304  
9     of the Clean Air Act (42 U.S.C. 7604) shall apply with  
10    respect to a violation of a requirement under this section,  
11    or the failure of the Administrator to perform a non-dis-  
12    cretionary act or duty under this section, to the same ex-  
13    tent and in the same manner as such provisions apply with  
14    respect to a violation described in subsection (a) of such  
15    section 304 or a failure to perform a non-discretionary act  
16    or duty described in such subsection.

17      (g) REPORT TO CONGRESS.—Not later than 2 years  
18    after the date of the enactment of this Act, the Adminis-  
19    trator shall submit a report to the Congress identifying  
20    any additions or modifications to statutory provisions  
21    which are needed for the Administrator to effectively ad-  
22    dress the contribution of non-auction greenhouse gases to  
23    global warming.

1 **SEC. 5. DISCLOSURE OF INFORMATION.**

2 (a) LIMITED DISCLOSURE OF IDENTITY.—Subsection  
3 (1) of section 6103 of the Internal Revenue Code of 1986  
4 is amended by adding at the end the following new para-  
5 graph:

6 “(23) LIMITED DISCLOSURE OF IDENTITY IN-  
7 FORMATION RELATING TO HEALTHY CLIMATE DIVI-  
8 DEND PAYMENTS.—

9 “(A) DEPARTMENT OF THE TREASURY.—  
10 Individual identity information shall, without  
11 written request, be open to inspection by or dis-  
12 closure to officers and employees of the Depart-  
13 ment of the Treasury whose official duties re-  
14 quire such inspection or disclosure for purposes  
15 of section 9912.

16 “(B) COMMISSIONER OF SOCIAL SECUR-  
17 ITY.—The Commissioner of Social Security  
18 shall, on written request, disclose to officers  
19 and employees of the Department of the Treas-  
20 ury individual identity information which has  
21 been disclosed to the Social Security Adminis-  
22 tration as provided by paragraph (1) or (5).

23 “(C) RESTRICTION ON DISCLOSURE.—In-  
24 formation disclosed under this paragraph shall  
25 be disclosed only for purposes of, and to the ex-  
26 tent necessary in, carrying out section 9912.”.

1           (b)           CONFORMING           AMENDMENTS.—Section  
 2 6103(p)(3)(A) of the Internal Revenue Code of 1986 is  
 3 amended by striking “or (18)” and inserting “, (23), or  
 4 (21)”.

5 **SEC. 6. PRESERVATION OF REMEDIES.**

6           (a) IN GENERAL.—Nothing in this Act preempts, dis-  
 7 places, or restricts any State or Federal common law or  
 8 statutory rights that create a remedy for civil relief, in-  
 9 cluding those for civil damages, or that create a penalty  
 10 for criminal conduct.

11           (b) CLAIMS RELATED TO FOSSIL FUELS AND CLI-  
 12 MATE CHANGE.—Notwithstanding any other provision of  
 13 law, nothing in this Act, the Clean Air Act (42 U.S.C.  
 14 7401 et seq.), or Federal common law preempts, displaces,  
 15 or restricts any right or remedy of any person, State, city,  
 16 county, or local or Tribal government under State or local  
 17 statute, ordinance, or common law related to any allega-  
 18 tion of—

19                   (1) deception concerning the effects of fossil  
 20 fuels on climate change;

21                   (2) damage or injury resulting from the role of  
 22 fossil fuels in contributing to climate change; or

23                   (3) the failure to avoid any damage or injury  
 24 related to—

- 1           (A) climate change, including claims for  
2           nuisance, trespass, design defect, negligence,  
3           failure to warn, or deceptive or unfair practices;  
4           and  
5           (B) claims for injunctive, declaratory, mon-  
6           etary, or other relief.

7 **SEC. 7. EFFECTIVE DATE.**

- 8           The amendments made by this Act shall take effect  
9           on the date of the enactment of this Act.

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