

118TH CONGRESS  
2D SESSION

# S. 5107

To amend the Internal Revenue Code of 1986 to establish a carbon fee to reduce greenhouse gas emissions, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

SEPTEMBER 19, 2024

Mr. DURBIN introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to establish a carbon fee to reduce greenhouse gas emissions, 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 “America’s Clean Fu-  
5       ture Fund Act”.

6       **SEC. 2. CLIMATE CHANGE FINANCE CORPORATION.**

7       (a) ESTABLISHMENT.—

8               (1) IN GENERAL.—There is established in the  
9       executive branch an independent agency, to be  
10      known as the “Climate Change Finance Corpora-

tion” (referred to in this section as the “C2FC”),  
which shall finance clean energy and climate change  
resiliency activities in accordance with this section.

(2) MISSION.—The mission of the C2FC is to  
combat climate change by reducing the dependency  
of the United States on fossil fuels, reducing green-  
house gas emissions, and building resilience to the  
harmful impacts of climate change.

(3) ACTIVITIES.—

(A) IN GENERAL.—The C2FC shall reduce  
the reliance of the United States on fossil fuels  
and mitigate the impacts of climate change by  
financing—

(i) the deployment of low- and zero-  
emissions energy technologies and fuels;

(ii) the construction of climate-resil-  
ient infrastructure;

(iii) research, development, and com-  
mercialization of new climate-smart tech-  
nologies and tools to facilitate industrial  
decarbonization;

(iv) clean energy and climate projects  
identified as too high-risk for private cap-  
ital investment; and

1 (v) projects that encourage the infu-  
2 sion of private capital and the creation of  
3 new workforce opportunities in clean trans-  
4 portation, energy, and climate resiliency.

5 (B) PRIORITY.—In carrying out activities  
6 under subparagraph (A), the C2FC shall give  
7 priority to projects that benefit—

8 (i) communities disproportionately  
9 facing the harmful impacts of climate  
10 change;

11 (ii) communities that have been his-  
12 torically overburdened by industrial pollu-  
13 tion from carbon-intensive industries; and

14 (iii) communities that have historically  
15 relied on carbon-intensive industries for  
16 economic support.

17 (C) EMISSIONS REDUCTION GOALS.—In  
18 carrying out activities under subparagraph (A),  
19 the goals of the C2FC shall be to achieve—

20 (i) by 2030, a net reduction of green-  
21 house gas emissions by 45 percent, based  
22 on 2018 levels; and

23 (ii) by 2050, a net reduction of green-  
24 house gas emissions by 100 percent, based  
25 on 2018 levels.

1           (4) EXERCISE OF POWERS.—Except as other-  
2       wise provided expressly by law, all Federal laws deal-  
3       ing with public or Federal contracts, property,  
4       works, officers, employees, budgets, or funds, includ-  
5       ing the provisions of chapters 5 and 7 of title 5,  
6       United States Code, shall apply to the exercise of  
7       the powers of the C2FC.

8       (b) BOARD OF DIRECTORS.—

9           (1) IN GENERAL.—The management of the  
10      C2FC shall be vested in a Board of Directors (re-  
11      ferred to in this section as the “Board”) consisting  
12      of 7 members, who shall be appointed by the Presi-  
13      dent, by and with the advice and consent of the Sen-  
14      ate.

15      (2) CHAIRPERSON AND VICE CHAIRPERSON.—

16           (A) IN GENERAL.—A Chairperson and  
17      Vice Chairperson of the Board shall be ap-  
18      pointed by the President, by and with the ad-  
19      vice and consent of the Senate, from among the  
20      individuals appointed to the Board under para-  
21      graph (1).

22           (B) TERM.—An individual—

23               (i) shall serve as Chairperson or Vice  
24      Chairperson of the Board for a 3-year  
25      term; and

1 (ii) may be renominated for the posi-  
2 tion until the term of that individual on  
3 the Board under paragraph (3)(C) expires.

4 (3) BOARD MEMBERS.—

5 (A) CITIZENSHIP REQUIRED.—Each mem-  
6 ber of the Board shall be an individual who is  
7 a citizen of the United States.

8 (B) REPRESENTATION.—The members of  
9 the Board shall represent agricultural, edu-  
10 cational, research, industrial, nongovernmental,  
11 labor, environmental justice, and commercial in-  
12 terests throughout the United States.

13 (C) TERM.—

14 (i) IN GENERAL.—Except as otherwise  
15 provided in this section, each member of  
16 the Board—

17 (I) shall be appointed for a term  
18 of 6 years; and

19 (II) may be reappointed for 1 ad-  
20 ditional term.

21 (ii) INITIAL STAGGERED TERMS.—Of  
22 the members first appointed to the  
23 Board—

24 (I) 2 shall each be appointed for  
25 a term of 2 years;

1 (II) 3 shall each be appointed for  
2 a term of 4 years; and

3 (III) 2 shall each be appointed  
4 for a term of 6 years.

5 (4) INITIAL MEETING.—Not later than 30 days  
6 after the date on which all members of the Board  
7 are appointed under paragraph (1), the Board shall  
8 hold an initial meeting.

9 (c) WORKING GROUPS.—

10 (1) IN GENERAL.—The Board shall create,  
11 oversee, and incorporate feedback from the following  
12 working groups (each referred to in this section as  
13 a “working group”):

14 (A) An environmental justice working  
15 group.

16 (B) A worker and community transition  
17 assistance working group.

18 (C) A research and innovation working  
19 group.

20 (2) WORKING GROUP MEMBERS.—

21 (A) IN GENERAL.—Each working group  
22 shall—

23 (i) be chaired by a Board member;  
24 and

1 (ii) comprise not less than 10 and not  
2 more than 20 individuals, who shall be ex-  
3 perts, members of directly impacted com-  
4 munities relating to the subject matter of  
5 the working group, and other relevant  
6 stakeholders.

7 (B) DIVERSITY.—Individuals on a working  
8 group shall, to the maximum extent practicable,  
9 represent—

10 (i) a diverse array of interests related  
11 to the subject matter of the working group;  
12 and

13 (ii) diverse geographical, racial, reli-  
14 gious, gender, educational, age, disability,  
15 and socioeconomic backgrounds.

16 (3) MEETINGS.—Each working group shall  
17 meet not less than 2 times per year.

18 (4) COMMUNITY AND STAKEHOLDER ENGAGE-  
19 MENT.—

20 (A) IN GENERAL.—Each working group  
21 shall create and engage in meaningful commu-  
22 nity and stakeholder involvement opportunities,  
23 including through regular public community en-  
24 gagement activities, for purposes of—

1 (i) maintaining up-to-date situational  
2 awareness about the needs of relevant com-  
3 munities and stakeholders;

4 (ii) using the feedback obtained  
5 through those opportunities to inform the  
6 advice of the working group to the Board;  
7 and

8 (iii) providing a mechanism for direct  
9 and substantial community feedback relat-  
10 ing to the investment plan and the funding  
11 decisions of the C2FC.

12 (B) PUBLIC AWARENESS.—Each working  
13 group shall inform the public about C2FC in-  
14 vestment by engaging in public awareness cam-  
15 paigns, which shall target relevant communities  
16 through comprehensive and accessible outreach  
17 methods suited for the relevant community.

18 (C) BROAD PARTICIPATION.—In carrying  
19 out subparagraph (A), each working group  
20 shall, to the maximum extent practicable, maxi-  
21 mize participation from a broad group of stake-  
22 holders, including by holding multiple meetings  
23 with significant advance notice, providing access  
24 to remote participation in those meetings, and



1 holding meetings in multiple languages and at  
 2 different times and locations.

3 (5) TASKS.—Each working group shall, as it re-  
 4 lates to the subject matter of the working group—

5 (A) advise and provide general input to the  
 6 Board regarding loans and grants provided by  
 7 the C2FC; and

8 (B) consult with, and based on the activi-  
 9 ties described in paragraph (4), provide rec-  
 10 ommendations to, the Board in the development  
 11 of and updates to the investment plan of the  
 12 C2FC.

13 (d) INVESTMENT PLAN.—

14 (1) IN GENERAL.—The Board, in consultation  
 15 with each working group described in subsection  
 16 (c)(1), shall develop an investment plan (referred to  
 17 in this subsection as the “investment plan”) for the  
 18 C2FC in accordance with this subsection.

19 (2) PURPOSES.—The purposes of the invest-  
 20 ment plan are—

21 (A) to ensure that investments made by  
 22 the C2FC—

23 (i) are equitable and reach the  
 24 prioritized communities described in sub-  
 25 section (e)(2);

1 (ii) are effective at progressing to-  
2 wards the goals described in subsection  
3 (a)(3)(C);

4 (iii) support the advancement of re-  
5 search in clean technologies and resilience;  
6 and

7 (iv) are transparent to the prioritized  
8 communities described in subsection (e)(2);  
9 and

10 (B) to provide methods and standards by  
11 which the Board and the working groups de-  
12 scribed in subsection (c)(1) shall choose  
13 projects in which to invest.

14 (3) DISTRIBUTION OF GRANT FUNDS.—The ini-  
15 tial investment plan shall require that, of the total  
16 amount of grant funds provided under subsection  
17 (e)(3)(A) each year, not less than 40 percent shall  
18 be used to invest in and benefit communities de-  
19 scribed in subsection (e)(2)(A).

20 (4) INVESTMENT PLAN UPDATES.—

21 (A) IN GENERAL.—The Board, in con-  
22 sultation with each working group described in  
23 subsection (c)(1), shall update the investment  
24 plan not later than 1 year after the date of en-

actment of this Act, and every 4 years thereafter, including by taking into account—

(i) the current needs of the prioritized communities described in subsection (e)(2);

(ii) the effectiveness of the previous investment plan in addressing the needs of those communities;

(iii) the current state of relevant research and technology;

(iv) the resiliency needs of local communities;

(v) the goals described in subsection (a)(3)(C); and

(vi) the 2 most recent program reviews conducted under subsection (f).

(B) EFFECTIVENESS.—An investment plan shall remain in effect until the date on which the Board approves an updated investment plan.

(C) PUBLIC INPUT.—In updating the investment plan, the Board and the working groups described in subsection (c)(1) shall—

(i) engage stakeholders and the public in a public comment and feedback process; and

1 (ii) ensure that the prioritized commu-  
 2 nities described in subsection (e)(2) have  
 3 access to participate in that process.

4 (5) PUBLIC UPDATES.—The Board shall make  
 5 publicly available on a quarterly basis information  
 6 relating to the expenditure of funds under the in-  
 7 vestment plan.

8 (e) INVESTMENT TOOLS.—

9 (1) DEFINITIONS.—In this subsection:

10 (A) COMMUNITY OF COLOR.—The term  
 11 “community of color” means a geographically  
 12 distinct area in which the population of any of  
 13 the following categories of individuals is higher  
 14 than the average population of that category for  
 15 the State in which the community is located:

- 16 (i) Black.
- 17 (ii) African American.
- 18 (iii) Asian.
- 19 (iv) Pacific Islander.
- 20 (v) Other non-White race.
- 21 (vi) Hispanic.
- 22 (vii) Latino.
- 23 (viii) Linguistically isolated.

24 (B) ELIGIBLE BORROWER.—The term “eli-  
 25 gible borrower” means any person, including a

1 business owner or project developer, that seeks  
 2 a loan to carry out approved practices or  
 3 projects described in subparagraph (A)(i) of  
 4 paragraph (3) from an eligible lender that may  
 5 receive a loan guarantee under that paragraph  
 6 for that loan, according to criteria determined  
 7 by the C2FC.

8 (C) ELIGIBLE ENTITY.—The term “eligible  
 9 entity” means—

- 10 (i) a State;
- 11 (ii) an Indian Tribe;
- 12 (iii) a unit of local government; and
- 13 (iv) a research and development insti-  
 14 tution (including a National Laboratory).

15 (D) ELIGIBLE LENDER.—The term “eligi-  
 16 ble lender” means—

- 17 (i) a Federal- or State-chartered  
 18 bank;
- 19 (ii) a Federal- or State-chartered  
 20 credit union;
- 21 (iii) an agricultural credit corporation;
- 22 (iv) a United States Green Bank In-  
 23 stitution;
- 24 (v) a community development finan-  
 25 cial institution (as defined in section 103

1 of the Community Development Banking  
2 and Financial Institutions Act of 1994 (12  
3 U.S.C. 4702));

4 (vi) a minority depository institution  
5 (as defined in section 308(b) of the Finan-  
6 cial Institutions Reform, Recovery, and  
7 Enforcement Act of 1989 (12 U.S.C. 1463  
8 note; Public Law 101–73)); and

9 (vii) any other lender that the Board  
10 determines has a demonstrated ability to  
11 underwrite and service loans for the in-  
12 tended approved practice for which the  
13 loan will be used.

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

22 (F) INDIAN TRIBE.—The term “Indian  
23 Tribe” has the meaning given the term in sec-  
24 tion 4 of the Indian Self-Determination and  
25 Education Assistance Act (25 U.S.C. 5304).

(G) LOW-INCOME COMMUNITY.—The term “low-income community” means any census block group in which 30 percent or more of the population are individuals with an annual household income equal to, or less than, the greater of—

(i) an amount equal to 80 percent of the median income of the area in which the household is located, as reported by the Department of Housing and Urban Development; and

(ii) 200 percent of the Federal poverty line.

(H) STATE.—The term “State” means—

(i) a State;

(ii) the District of Columbia;

(iii) the Commonwealth of Puerto Rico; and

(iv) any other territory or possession of the United States.

(2) COMMUNITY PRIORITIZATION.—In providing financial investment and other assistance under paragraph (3), the C2FC shall give priority to, as determined by the C2FC—

1 (A) environmental justice communities,  
2 communities of color, indigenous communities,  
3 rural communities, and low-income communities  
4 that—

5 (i) experience a disproportionate bur-  
6 den of the negative human health and en-  
7 vironmental impacts of pollution or other  
8 environmental hazards, such as natural  
9 disasters; or

10 (ii) may not have access to public in-  
11 formation and opportunities for meaningful  
12 public participation relating to human  
13 health and environmental planning, regula-  
14 tions, and enforcement;

15 (B) deindustrialized communities or com-  
16 munities with significant local economic reliance  
17 on carbon-intensive industries;

18 (C) low-income communities at risk of im-  
19 pacts of natural disasters or sea level rise exac-  
20 erbated by climate change;

21 (D) public or nonprofit entities that serve  
22 dislocated workers, veterans, or individuals with  
23 a barrier to employment; and



1 (E) communities that have minimal or no  
 2 investment in the approved practices and  
 3 projects described in paragraph (3)(A)(i).

4 (3) GRANTS, LOAN GUARANTEES, AND OTHER  
 5 INVESTMENT TOOLS.—

6 (A) IN GENERAL.—The C2FC—

7 (i) shall provide grants to eligible enti-  
 8 ties and loan guarantees to eligible lenders  
 9 issuing loans to eligible borrowers for ap-  
 10 proved practices and projects relating to  
 11 climate change mitigation and resilience  
 12 measures, including—

13 (I) energy efficiency upgrades to  
 14 infrastructure;

15 (II) electric, hydrogen, and clean  
 16 transportation programs and deploy-  
 17 ment, including programs—

18 (aa) to purchase personal  
 19 vehicles, commercial vehicles, and  
 20 public transportation fleets and  
 21 school bus fleets;

22 (bb) to deploy electric vehi-  
 23 cle charging and hydrogen fuel-  
 24 ing infrastructure; and

1 (cc) to develop and deploy  
2 sustainable aviation fuels;

3 (III) clean energy and clean vehi-  
4 cle manufacturing research, dem-  
5 onstrations, and deployment, with a  
6 particular focus on projects relating to  
7 the commercialization of new tech-  
8 nologies;

9 (IV) battery storage research,  
10 demonstrations, and deployment;

11 (V) development or purchase of  
12 equipment for practices described in  
13 section 6;

14 (VI) development and deployment  
15 of clean energy and clean tech-  
16 nologies, with a focus on—

17 (aa) carbon capture, utiliza-  
18 tion, and sequestration, bioenergy  
19 with carbon capture and seques-  
20 tration, and direct air capture;

21 (bb) energy storage and grid  
22 modernization;

23 (cc) geothermal energy;

24 (dd) commercial and resi-  
25 dential solar;

1 (ee) wind energy; and

2 (ff) any other clean tech-  
3 nology use or development, as de-  
4 termined by the Board;

5 (VII) measures that anticipate  
6 and prepare for climate change im-  
7 pacts, and reduce risks and enhance  
8 resilience to sea level rise, extreme  
9 weather events, heat island impacts,  
10 and other climate change impacts, as  
11 determined by the Board, including  
12 by—

13 (aa) building resilient en-  
14 ergy, water, and transportation  
15 infrastructure;

16 (bb) providing weatheriza-  
17 tion assistance for low-income  
18 households; and

19 (cc) increasing the physical  
20 and economic resilience of the ag-  
21 riculture sector; and

22 (VIII) natural infrastructure re-  
23 search, demonstrations, and deploy-  
24 ment; and

(ii) may implement other investment tools and products approved by the Board, pursuant to subparagraph (C), to achieve the mission of the C2FC described in subsection (a)(2).

(B) LOAN GUARANTEES.—

(i) IN GENERAL.—In providing loan guarantees under subparagraph (A), the C2FC shall cooperate with eligible lenders through agreements to participate on a deferred (guaranteed) basis.

(ii) LEVEL OF PARTICIPATION IN GUARANTEED LOANS.—In providing a loan guarantee under subparagraph (A), the C2FC shall guarantee 75 percent of the balance of the financing outstanding at the time of disbursement of the loan.

(iii) INTEREST RATES.—Notwithstanding the provisions of the constitution of any State or the laws of any State limiting the rate or amount of interest that may be charged, taken, received, or reserved, the maximum legal rate of interest on any financing made on a deferred basis

1 under this subsection shall not exceed a  
2 rate prescribed by the C2FC.

3 (iv) GUARANTEE FEES.—

4 (I) IN GENERAL.—With respect  
5 to each loan guaranteed under this  
6 subsection (other than a loan that is  
7 repayable in 1 year or less), the C2FC  
8 shall collect a guarantee fee, which  
9 shall be payable by the eligible lender,  
10 and may be charged to the eligible  
11 borrower in accordance with subclause  
12 (II).

13 (II) BORROWER CHARGES.—A  
14 guarantee fee described in subclause  
15 (I) charged to an eligible borrower  
16 shall not—

17 (aa) exceed 2 percent of the  
18 deferred participation share of a  
19 total loan amount that is equal to  
20 or less than \$150,000;

21 (bb) exceed 3 percent of the  
22 deferred participation share of a  
23 total loan amount that is greater  
24 than \$150,000 but less than  
25 \$700,000; or

1 (cc) exceed 3.5 percent of  
 2 the deferred participation share  
 3 of a total loan amount that is  
 4 equal to or greater than  
 5 \$700,000.

6 (C) OTHER INVESTMENT TOOLS AND  
 7 PRODUCTS.—

8 (i) IN GENERAL.—The Board may,  
 9 based on market needs, develop and imple-  
 10 ment any other investment tool or product  
 11 necessary to achieve the mission of the  
 12 C2FC described in subsection (a)(2) and  
 13 the deployment of projects described in  
 14 subparagraph (A)(i), including offering—

15 (I) warehousing and aggregation  
 16 credit facilities;  
 17 (II) zero interest loans;  
 18 (III) credit enhancements; and  
 19 (IV) construction finance.

20 (ii) STATE AND LOCAL GREEN  
 21 BANKS.—The Board shall provide—

22 (I) funds to United States Green  
 23 Bank Institutions as necessary to fi-  
 24 nance projects that are best served by  
 25 those entities; and

1 (II) technical assistance as nec-  
2 essary to States and localities seeking  
3 to establish green banks.

4 (D) PROHIBITED INVESTMENTS.—The  
5 Board shall not issue loans, grants, or other-  
6 wise invest in any activities that directly or in-  
7 directly contradict the mission of the C2FC de-  
8 scribed in subsection (a)(2).

9 (4) WAGE RATE REQUIREMENTS.—

10 (A) IN GENERAL.—All laborers and me-  
11 chanics employed by eligible entities and eligible  
12 borrowers on projects funded directly by or as-  
13 sisted in whole or in part by the activities of the  
14 C2FC under this section shall be paid at wages  
15 at rates not less than those prevailing on  
16 projects of a similar character in the locality as  
17 determined by the Secretary of Labor in ac-  
18 cordance with subchapter IV of chapter 31 of  
19 title 40, United States Code (commonly known  
20 as the “Davis-Bacon Act”).

21 (B) AUTHORITY.—With respect to the  
22 labor standards specified in subparagraph (A),  
23 the Secretary of Labor shall have the authority  
24 and functions set forth in Reorganization Plan  
25 Numbered 14 of 1950 (64 Stat. 1267; 5 U.S.C.

1 App.) and section 3145 of title 40, United  
2 States Code.

3 (5) BUY AMERICA REQUIREMENTS.—

4 (A) IN GENERAL.—All iron, steel, and  
5 manufactured goods used for projects under  
6 this section shall be produced in the United  
7 States.

8 (B) WAIVER.—The Board may waive the  
9 requirement in subparagraph (A) if the Board  
10 finds that—

11 (i) enforcing the requirement would be  
12 inconsistent with the public interest;

13 (ii) the iron, steel, and manufactured  
14 goods produced in the United States are  
15 not produced in a sufficient and reasonably  
16 available amount or are not of a satisfac-  
17 tory quality; or

18 (iii) enforcing the requirement will in-  
19 crease the overall cost of the project by  
20 more than 25 percent.

21 (f) PROGRAM REVIEW AND REPORT.—Not later than  
22 2 years after the date of enactment of this Act, and every  
23 2 years thereafter, the Board shall—

24 (1) conduct a review of the activities of the  
25 C2FC and identify projects and funding opportuni-



1       ties that were a part of the current investment plan;  
2       and

3           (2) submit to Congress and make publicly avail-  
4       able a report that—

5           (A) describes the projects and funding op-  
6       portunities that have been most successful in  
7       progressing towards the mission described in  
8       subsection (a)(2) during the time period covered  
9       by the report;

10          (B) includes recommendations on the clean  
11       energy and resiliency projects that should be  
12       prioritized in forthcoming years to achieve that  
13       mission;

14          (C) quantifies the total amount and per-  
15       centage of funding given to prioritized commu-  
16       nities described in subsection (e)(2); and

17          (D) identifies barriers for disadvantaged  
18       groups to receive C2FC funding and provides  
19       recommendations to address those barriers.

20       (g) INITIAL CAPITALIZATION.—There is appropriated  
21   to carry out this section (including for administrative costs  
22   of the C2FC), out of any funds in the Treasury not other-  
23   wise appropriated, \$7,500,000,000 for each of fiscal years  
24   2025 and 2026, to remain available until expended.

1 **SEC. 3. CARBON FEE.**

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

5 **“Subchapter E—Carbon Fee**

“Sec. 4691. Definitions.

“Sec. 4692. Carbon fee.

“Sec. 4693. Fee on noncovered fuel emissions.

“Sec. 4694. Refunds for carbon capture, sequestration, and utilization.

“Sec. 4695. Border adjustments.

6 **“SEC. 4691. DEFINITIONS.**

7 “For purposes of this subchapter—

8 “(1) ADMINISTRATOR.—The term ‘Adminis-  
9 trator’ means the Administrator of the Environ-  
10 mental Protection Agency.

11 “(2) CARBON DIOXIDE EQUIVALENT OR CO<sub>2</sub>-  
12 E.—The term ‘carbon dioxide equivalent’ or ‘CO<sub>2</sub>-e’  
13 means the number of metric tons of carbon dioxide  
14 emissions with the same global warming potential  
15 over a 100-year period as one metric ton of another  
16 greenhouse gas.

17 “(3) CARBON-INTENSIVE PRODUCT.—The term  
18 ‘carbon-intensive product’ means—

19 “(A) iron, steel, steel mill products (includ-  
20 ing pipe and tube), aluminum, cement, glass  
21 (including flat, container, and specialty glass  
22 and fiberglass), pulp, paper, chemicals, or in-  
23 dustrial ceramics, and

1           “(B) any manufactured product which the  
 2           Secretary, in consultation with the Adminis-  
 3           trator, the Secretary of Commerce, and the Sec-  
 4           retary of Energy, determines is energy-intensive  
 5           and trade-exposed (with the exception of any  
 6           covered fuel).

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

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

10           “(i) any operator of a United States  
 11           refinery (as described in subsection (d)(1)  
 12           of section 4611), and

13           “(ii) any person entering such product  
 14           into the United States for consumption,  
 15           use, or warehousing (as described in sub-  
 16           section (d)(2) of such section),

17           “(B) in the case of coal—

18           “(i) any producer subject to the tax  
 19           under section 4121, and

20           “(ii) any importer of coal into the  
 21           United States,

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

23           “(i) any entity which produces natural  
 24           gas (as defined in section 613A(e)(2))

1 from a well located in the United States,  
2 and

3 “(ii) any importer of natural gas into  
4 the United States,

5 “(D) in the case of any noncovered fuel  
6 emissions, the entity which is the source of such  
7 emissions, provided that the total amount of  
8 carbon dioxide or methane emitted by such enti-  
9 ty for the preceding year (as determined using  
10 the methodology required under section  
11 4692(e)(4)) was not less than 25,000 metric  
12 tons, and

13 “(E) any entity or class of entities which,  
14 as determined by the Secretary, is transporting,  
15 selling, or otherwise using a covered fuel in a  
16 manner which emits a greenhouse gas into the  
17 atmosphere and which has not been covered by  
18 the carbon fee, the fee on noncovered fuel emis-  
19 sions, or the carbon border fee adjustment.

20 “(5) COVERED FUEL.—The term ‘covered fuel’  
21 means crude oil, natural gas, coal, or any other  
22 product derived from crude oil, natural gas, or coal  
23 which shall be used so as to emit greenhouse gases  
24 to the atmosphere.

1           “(6) GREENHOUSE GAS.—The term ‘greenhouse  
2       gas’—

3           “(A) has the meaning given such term in  
4       section 901 of the Energy Independence and  
5       Security Act of 2007 (42 U.S.C. 17321), as in  
6       effect on the date of the enactment of the  
7       America’s Clean Future Fund Act, and

8           “(B) includes any other gases identified by  
9       rule of the Administrator.

10          “(7) GREENHOUSE GAS CONTENT.—The term  
11       ‘greenhouse gas content’ means the amount of  
12       greenhouse gases, expressed in metric tons of CO<sub>2</sub>-  
13       e, which would be emitted to the atmosphere by the  
14       use of a covered fuel.

15          “(8) NONCOVERED FUEL EMISSION.—The term  
16       ‘noncovered fuel emission’ means any carbon dioxide  
17       or methane emitted as a result of the production,  
18       processing, transport, or use of any product or mate-  
19       rial within the energy or industrial sectors—

20               “(A) including any fugitive or process  
21       emissions associated with the production, proc-  
22       essing, or transport of a covered fuel, and

23               “(B) excluding any emissions from the  
24       combustion or use of a covered fuel.

1           “(9) QUALIFIED CARBON OXIDE.—The term  
2           ‘qualified carbon oxide’ has the meaning given the  
3           term in section 45Q(c).

4           “(10) UNITED STATES.—The term ‘United  
5           States’ shall be treated as including each possession  
6           of the United States (including the Commonwealth  
7           of Puerto Rico and the Commonwealth of the North-  
8           ern Mariana Islands).

9   **“SEC. 4692. CARBON FEE.**

10          “(a) DEFINITIONS.—In this section:

11               “(1) APPLICABLE PERIOD.—The term ‘applica-  
12               ble period’ means, with respect to any determination  
13               made by the Secretary under subsection (e)(3) for  
14               any calendar year, the period—

15                       “(A) beginning on January 1, 2026, and

16                       “(B) ending on December 31 of the pre-  
17               ceding calendar year.

18               “(2) CUMULATIVE EMISSIONS.—The term ‘cu-  
19               mulative emissions’ means an amount equal to the  
20               sum of any greenhouse gas emissions resulting from  
21               the use of covered fuels and any noncovered fuel  
22               emissions for all years during the applicable period.

23               “(3) CUMULATIVE EMISSIONS TARGET.—The  
24               term ‘cumulative emissions target’ means an amount

1 equal to the sum of the emissions targets for all  
2 years during the applicable period.

3 “(4) EMISSIONS TARGET.—The term ‘emissions  
4 target’ means the target for greenhouse gas emis-  
5 sions during a calendar year as determined under  
6 subsection (e)(1).

7 “(b) CARBON FEE.—During any calendar year that  
8 begins after December 31, 2025, there is imposed a car-  
9 bon fee on any covered entity’s use, sale, or transfer of  
10 any covered fuel.

11 “(c) AMOUNT OF THE CARBON FEE.—The carbon fee  
12 imposed by this section is an amount equal to—

13 “(1) the greenhouse gas content of the covered  
14 fuel, multiplied by

15 “(2) the carbon fee rate, as determined under  
16 subsection (d).

17 “(d) CARBON FEE RATE.—The carbon fee rate shall  
18 be determined in accordance with the following:

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

22 “(A) in the case of calendar year 2026,  
23 \$65, and

“(B) except as provided in paragraphs (2) and (3), in the case of any calendar year after 2026, the amount equal to the sum of—

“(i) the amount under subparagraph (A), plus

“(ii)(I) in the case of calendar year 2027, \$10, and

“(II) in the case of any calendar year after 2027, the amount in effect under this clause for the preceding calendar year, plus \$10.

“(2) INFLATION ADJUSTMENT.—

“(A) IN GENERAL.—In the case of any calendar year after 2026, the amount determined under paragraph (1)(B) shall be increased by an amount equal to—

“(i) that dollar amount, multiplied by

“(ii) the cost-of-living adjustment determined under section 1(f)(3) for that calendar year, determined by substituting ‘2025’ for ‘2016’ in subparagraph (A)(ii) thereof.

“(B) ROUNDING.—If any increase determined under subparagraph (A) is not a multiple



1 of \$1, such increase shall be rounded up to the  
 2 next whole dollar amount.

3 “(3) ADJUSTMENT OF CARBON FEE RATE.—

4 “(A) INCREASE IN RATE FOLLOWING  
 5 MISSED CUMULATIVE EMISSIONS TARGET.—In  
 6 the case of any calendar year following a deter-  
 7 mination by the Secretary pursuant to sub-  
 8 section (e)(3) that the cumulative emissions for  
 9 the preceding calendar year exceeded the cumu-  
 10 lative emissions target for such year, paragraph  
 11 (1)(B)(ii)(II) shall be applied—

12 “(i) in the case of calendar years  
 13 2029 through 2033, by substituting ‘\$15’  
 14 for ‘\$10’,

15 “(ii) in the case of calendar years  
 16 2034 through 2043, by substituting ‘\$20’  
 17 for ‘\$10’, and

18 “(iii) in the case of any calendar year  
 19 beginning after 2043, by substituting ‘\$25’  
 20 for ‘\$10’.

21 “(B) CESSATION OF RATE INCREASE FOL-  
 22 LOWING ACHIEVEMENT OF CUMULATIVE EMIS-  
 23 SIONS TARGET.—In the case of any year fol-  
 24 lowing a determination by the Secretary pursu-  
 25 ant to subsection (e)(3) that—

1 “(i) the average annual emissions of  
 2 greenhouse gases from covered entities  
 3 over the preceding 3-year period are not  
 4 more than 10 percent of the greenhouse  
 5 gas emissions during the year 2018, and

6 “(ii) the cumulative emissions did not  
 7 exceed the cumulative emissions target,  
 8 paragraph (1)(B)(ii)(II) shall be applied by  
 9 substituting ‘\$0’ for ‘\$10’.

10 “(C) METHODOLOGY.—With respect to  
 11 any year, the annual greenhouse gas emissions  
 12 and cumulative emissions described in subpara-  
 13 graph (A) or (B) shall be determined using the  
 14 methodology required under subsection (e)(4).

15 “(e) EMISSIONS TARGETS.—

16 “(1) IN GENERAL.—

17 “(A) REFERENCE YEAR.—For purposes of  
 18 subsection (d), the emissions target for any  
 19 year shall be the amount of greenhouse gas  
 20 emissions that is equal to—

21 “(i) for calendar years 2026 and  
 22 2027, the applicable percentage of the total  
 23 amount of greenhouse gas emissions from  
 24 the use of any covered fuel during calendar  
 25 year 2018, and

1 “(ii) for calendar year 2028 and each  
 2 calendar year thereafter, the applicable  
 3 percentage of the total amount of green-  
 4 house gas emissions from the use of any  
 5 covered fuel and noncovered fuel emissions  
 6 during calendar year 2018.

7 “(B) METHODOLOGY.—For purposes of  
 8 subparagraph (A), with respect to determining  
 9 the total amount of greenhouse gas emissions  
 10 from the use of any covered fuel and non-  
 11 covered fuel emissions during calendar year  
 12 2018, the Administrator shall use such methods  
 13 as are determined appropriate, provided that  
 14 such methods are, to the greatest extent prac-  
 15 ticable, comparable to the methods established  
 16 under paragraph (4).

17 “(2) APPLICABLE PERCENTAGE.—

18 “(A) 2026 THROUGH 2035.—In the case  
 19 of calendar years 2026 through 2035, the appli-  
 20 cable percentage shall be determined as follows:

<b>“Year</b>	<b>Applicable percentage</b>
2026 .....	67 percent
2027 .....	63 percent
2028 .....	60 percent
2029 .....	57 percent
2030 .....	55 percent
2031 .....	52 percent
2032 .....	49 percent
2033 .....	46 percent
2034 .....	43 percent
2035 .....	40 percent

1 “(B) 2036 THROUGH 2050.—In the case  
 2 of calendar years 2036 through 2050, the appli-  
 3 cable percentage shall be equal to—

4 “(i) the applicable percentage for the  
 5 preceding year, minus

6 “(ii) 2 percentage points.

7 “(C) AFTER 2050.—In the case of any cal-  
 8 endar year beginning after 2050, the applicable  
 9 percentage shall be equal to 10 percent.

10 “(3) EMISSIONS REPORTING AND DETERMINA-  
 11 TIONS.—

12 “(A) REPORTING.—Not later than Sep-  
 13 tember 30, 2027, and annually thereafter, the  
 14 Administrator, in consultation with the Sec-  
 15 retary, shall make available to the public a re-  
 16 port on—

17 “(i) the cumulative emissions with re-  
 18 spect to the preceding calendar year, and

19 “(ii) any other relevant information,  
 20 as determined appropriate by the Adminis-  
 21 trator.

22 “(B) DETERMINATIONS.—Not later than  
 23 September 30, 2028, and annually thereafter,  
 24 the Administrator, in consultation with the Sec-  
 25 retary and as part of the report described in

subparagraph (A), shall determine whether cumulative emissions with respect to the preceding calendar year exceeded the cumulative emissions target with respect to such year.

“(4) EMISSIONS ACCOUNTING METHODOLOGY.—

“(A) IN GENERAL.—Not later than January 1, 2026, the Administrator shall prescribe rules for greenhouse gas accounting for covered entities for purposes of this subchapter, which shall—

“(i) to the greatest extent practicable, employ existing data collection methodologies and greenhouse gas accounting practices, including such methodologies and practices developed by the National Laboratories (as defined in section 2 of the Energy Policy Act of 2005 (42 U.S.C. 15801)),

“(ii) ensure that the method of accounting—

“(I) applies to—

“(aa) all greenhouse gas emissions from covered fuels and

1 all noncovered fuel emissions,  
2 and

3 “(bb) all covered entities,

4 “(II) excludes—

5 “(aa) any greenhouse gas  
6 emissions which are not described  
7 item (aa) of subclause (I), and

8 “(bb) any entities which are  
9 not described in item (bb) of  
10 such subclause, and

11 “(III) appropriately accounts  
12 for—

13 “(aa) qualified carbon oxide  
14 which is captured and disposed  
15 or used in a manner described in  
16 section 4694, and

17 “(bb) nonemitting uses of  
18 covered fuels, as described in  
19 subsection (f),

20 “(iii) subject to such penalties as are  
21 determined appropriate by the Adminis-  
22 trator, require any covered entity to report,  
23 not later than April 1 of each calendar  
24 year—

1                   “(I) the total greenhouse gas  
2                   content of any covered fuels used,  
3                   sold, or transferred by such covered  
4                   entity during the preceding calendar  
5                   year, and

6                   “(II) the total noncovered fuel  
7                   emissions of the covered entity during  
8                   the preceding calendar year, and

9                   “(iv) require any information reported  
10                  pursuant to clause (iii) to be verified by a  
11                  third-party entity that, subject to such  
12                  process as is determined appropriate by  
13                  the Administrator, has been certified by  
14                  the Administrator with respect to the  
15                  qualifications, independence, and reliability  
16                  of such entity.

17                  “(B) GREENHOUSE GAS REPORTING PRO-  
18                  GRAM.—For purposes of establishing the rules  
19                  described in subparagraph (A), the Adminis-  
20                  trator may elect to modify the activities of the  
21                  Greenhouse Gas Reporting Program to satisfy  
22                  the requirements described in clauses (i)  
23                  through (iv) of such subparagraph.

24                  “(5) REVISIONS.—With respect to any deter-  
25                  mination made by the Administrator as to the

1 amount of greenhouse gas emissions for any cal-  
2 endar year (including calendar year 2018), any sub-  
3 sequent revision by the Administrator with respect  
4 to such amount shall apply for purposes of the fee  
5 imposed under subsection (b) for any calendar years  
6 beginning after such revision.

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

14 “(g) ADMINISTRATIVE AUTHORITY.—The Secretary,  
15 in consultation with the Administrator, shall prescribe  
16 such regulations, and other guidance, to assess and collect  
17 the carbon fee imposed by this section, including—

18 “(1) the identification of covered entities that  
19 are liable for payment of a fee under this section or  
20 section 4693,

21 “(2) as may be necessary or convenient, rules  
22 for distinguishing between different types of covered  
23 entities,

24 “(3) as may be necessary or convenient, rules  
25 for distinguishing between the greenhouse gas emis-



1       sions of a covered entity and the greenhouse gas  
2       emissions that are attributed to the covered entity  
3       but not directly emitted by the covered entity,

4           “(4) requirements for the quarterly payment of  
5       such fees, and

6           “(5) rules to ensure that the carbon fee under  
7       this section, the fee on noncovered fuel emissions  
8       under section 4693, or the carbon border fee adjust-  
9       ment is not imposed on an emission from covered  
10      fuel or noncovered fuel emission more than once.

11   **“SEC. 4693. FEE ON NONCOVERED FUEL EMISSIONS.**

12       “(a) IN GENERAL.—During any calendar year that  
13      begins after December 31, 2027, there is imposed a fee  
14      on a covered entity for any noncovered fuel emissions  
15      which occur during the calendar year.

16       “(b) AMOUNT.—The fee to be paid under subsection  
17      (a) by the covered entity which is the source of the emis-  
18      sions described in that subsection shall be an amount  
19      equal to—

20           “(1) the total amount, in metric tons of CO<sub>2</sub>-  
21       e, of emitted greenhouse gases, multiplied by

22           “(2) an amount equal to the carbon fee rate in  
23       effect under section 4692(d) for the calendar year of  
24       such emission.

1       “(c) ADMINISTRATIVE AUTHORITY.—The Secretary,  
 2 in consultation with the Administrator, shall prescribe  
 3 such regulations, and other guidance, to assess and collect  
 4 the carbon fee imposed by this section, including regula-  
 5 tions describing the requirements for the quarterly pay-  
 6 ment of such fees.

7       **“SEC. 4694. REFUNDS FOR CARBON CAPTURE, SEQUESTRA-**  
 8                               **TION, AND UTILIZATION.**

9       “(a) IN GENERAL.—

10               “(1) CAPTURE, SEQUESTRATION, AND USE.—

11       The Secretary, in consultation with the Adminis-  
 12 trator and the Secretary of Energy, shall prescribe  
 13 regulations for providing payments to any person  
 14 which captures qualified carbon oxide which is—

15               “(A) disposed of by such person in secure  
 16 geological storage, as described in section  
 17 45Q(f)(2), or

18               “(B) used in a manner which has been ap-  
 19 proved by the Secretary pursuant to subsection  
 20 (c).

21               “(2) ELECTION.—If the person described in  
 22 paragraph (1) makes an election under this para-  
 23 graph in such time and manner as the Secretary  
 24 may prescribe by regulations, the credit under this  
 25 section—

1           “(A) shall be allowable to the person that  
 2           owns the facility described in subsection (b)(1),  
 3           and

4           “(B) shall not be allowable to the person  
 5           described in paragraph (1).

6           “(b) PAYMENTS FOR CARBON CAPTURE.—

7           “(1) IN GENERAL.—In the case of any facility  
 8           for which carbon capture equipment has been placed  
 9           in service, the Secretary shall make payments in the  
 10          same manner as if such payment was a refund of an  
 11          overpayment of the fee imposed by section 4692 or  
 12          4693.

13          “(2) AMOUNT OF PAYMENT.—The payment de-  
 14          termined under this subsection shall be an amount  
 15          equal to—

16               “(A) the metric tons of qualified carbon  
 17               oxide captured and disposed of, used, or utilized  
 18               in a manner consistent with subsection (a),  
 19               multiplied by

20               “(B)(i) the carbon fee rate during the year  
 21               in which the carbon fee was imposed by section  
 22               4692 on the covered fuel to which such carbon  
 23               oxide relates, or

24               “(ii) in the case of a direct air capture fa-  
 25               cility (as defined in section 45Q(e)(1)), the car-

1           bon fee rate during the year in which the quali-  
 2           fied carbon oxide was captured and disposed of,  
 3           used, or utilized.

4       “(c) APPROVED USES OF QUALIFIED CARBON  
 5 OXIDE.—

6           “(1) IN GENERAL.—Subject to paragraph (2),  
 7       the Secretary, in consultation with Administrator  
 8       and the Secretary of Energy, shall, through regula-  
 9       tion or other public guidance, determine which uses  
 10      of qualified carbon oxide are eligible for payments  
 11      under this section, which may include—

12                   “(A) utilization in a manner described in  
 13                   clause (i) or (ii) of section 45Q(f)(5)(A), or

14                   “(B) any other use which ensures minimal  
 15                   leakage or escape of such carbon oxide.

16           “(2) EXCLUSION FOR ENHANCED OIL OR NAT-  
 17       URAL GAS RECOVERY.—The sale or use of qualified  
 18       carbon oxide as a tertiary injectant in a qualified en-  
 19       hanced oil or natural gas recovery project (as de-  
 20       fined in section 45Q(e)(4)) shall not be eligible for  
 21       payments under this section.

22       “(d) EXCEPTION.—In the case of any facility which  
 23       is owned by an entity that is determined to be—

24                   “(1) in violation of any applicable air or water  
 25                   quality regulations, or

1           “(2) with respect to any environmental justice  
 2           community (as defined in section 2(d)(1)(D) of the  
 3           America’s Clean Future Fund Act), creating health  
 4           or environmental harm to such community,  
 5           such facility shall not be eligible for any payment  
 6           under this section during the period of such viola-  
 7           tion.

8   **“SEC. 4695. BORDER ADJUSTMENTS.**

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

12          “(b) EXPORTS.—

13               “(1) CARBON-INTENSIVE PRODUCTS.—In the  
 14          case of any carbon-intensive product which is ex-  
 15          ported from the United States, the Secretary shall  
 16          pay to the person exporting such product a refund  
 17          equal to the amount of the cost of such product at-  
 18          tributable to any fees imposed under this subchapter  
 19          related to the manufacturing of such product (as de-  
 20          termined under regulations established by the Sec-  
 21          retary).

22               “(2) COVERED FUELS.—In the case of any cov-  
 23          ered fuel which is exported from the United States,  
 24          the Secretary shall pay to the person exporting such  
 25          fuel a refund equal to the amount of the cost of such

1 fuel attributable to any fees imposed under this sub-  
2 chapter related to the use, sale, or transfer of such  
3 fuel.

4 “(c) IMPORTS.—

5 “(1) CARBON-INTENSIVE PRODUCTS.—

6 “(A) IMPOSITION OF EQUIVALENCY FEE.—

7 In the case of any carbon-intensive product im-  
8 ported into the United States, there is imposed  
9 an equivalency fee on the person importing such  
10 product in an amount equal to the cost of such  
11 product that would be attributable to any fees  
12 imposed under this subchapter related to the  
13 manufacturing of such product if any inputs or  
14 processes used in manufacturing such product  
15 were subject to such fees (as determined under  
16 regulations established by the Secretary).

17 “(B) REDUCTION IN FEE.—The amount of  
18 the equivalency fee under subparagraph (A)  
19 shall be reduced by the amount, if any, of any  
20 fees imposed on the carbon-intensive product by  
21 the foreign nation or governmental units from  
22 which such product was imported.

23 “(2) COVERED FUELS.—

24 “(A) IN GENERAL.—In the case of any  
25 covered fuel imported into the United States,

1           there is imposed an equivalency fee on the per-  
2           son importing such fuel in an amount equal to  
3           the amount of any fees that would be imposed  
4           under this subchapter related to the use, sale,  
5           or transfer of such fuel.

6                   “(B) REDUCTION IN FEE.—The amount of  
7           the fee under subparagraph (A) shall be re-  
8           duced by the amount, if any, of any fees im-  
9           posed on the covered fuel by the foreign nation  
10          or governmental units from which the fuel was  
11          imported.

12          “(d) TREATMENT OF ALTERNATIVE POLICIES AS  
13   FEES.—Under regulations established by the Secretary,  
14   foreign policies that have substantially the same effect in  
15   reducing emissions of greenhouse gases as fees shall be  
16   treated as fees for purposes of subsections (b) and (c).

17          “(e) REGULATORY AUTHORITY.—

18                   “(1) IN GENERAL.—The Secretary shall consult  
19          with the Administrator, the Secretary of Commerce,  
20          and the Secretary of Energy in establishing rules  
21          and regulations implementing the purposes of this  
22          section.

23                   “(2) TREATIES.—The Secretary, in consulta-  
24          tion with the Secretary of State, may adjust the ap-  
25          plicable amounts of the refunds and equivalency fees

1 under this section in a manner that is consistent  
 2 with any obligations of the United States under an  
 3 international agreement.”.

4 (b) EFFECTIVE DATE.—The amendment made by  
 5 this section shall apply to periods beginning after Decem-  
 6 ber 31, 2025.

7 **SEC. 4. AMERICA’S CLEAN FUTURE FUND.**

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

11 **“SEC. 9512. AMERICA’S CLEAN FUTURE FUND.**

12 “(a) ESTABLISHMENT AND FUNDING.—There is es-  
 13 tablished in the Treasury of the United States a trust fund  
 14 to be known as the ‘America’s Clean Future Fund’ (re-  
 15 ferred to in this section as the ‘Trust Fund’), consisting  
 16 of such amounts as are appropriated to the Trust Fund  
 17 under subsection (b).

18 “(b) TRANSFERS TO AMERICA’S CLEAN FUTURE  
 19 FUND.—There is appropriated to the Trust Fund, out of  
 20 any funds in the Treasury not otherwise appropriated,  
 21 amounts equal to the fees received into the Treasury  
 22 under sections 4692, 4693, and 4695, less—

23 “(1) any amounts refunded or paid under sec-  
 24 tions 4692(d), 4694, and 4695(b), and



1           “(2) for each of the first 18 fiscal years begin-  
 2           ning after September 30, 2026, an amount equal to  
 3           the quotient of—

4                       “(A) \$100,000,000,000, and

5                       “(B) 18.

6           “(c) EXPENDITURES.—For each fiscal year, amounts  
 7           in the Trust Fund shall be apportioned as follows:

8                       “(1) CARBON FEE REBATE AND AGRICULTURAL  
 9           DECARBONIZATION TRANSITION PAYMENTS.—

10                      “(A) CARBON FEE REBATE.—For the pur-  
 11                      poses described in section 5 of the America’s  
 12                      Clean Future Fund Act and any expenses nec-  
 13                      essary to administer such section—

14                               “(i) for each of the first 10 fiscal  
 15                               years beginning after September 30, 2026,  
 16                               an amount equal to—

17                                       “(I) 75 percent of those amounts,  
 18                                       minus

19                                       “(II) the amount determined  
 20                                       under subparagraph (B) for such fis-  
 21                                       cal year, and

22                               “(ii) for any fiscal year beginning  
 23                               after the period described in clause (i), the  
 24                               applicable percentage of such amounts.

“(B) AGRICULTURAL DECARBONIZATION  
TRANSITION PAYMENTS.—For the purposes de-  
scribed in section 6 of the America’s Clean Fu-  
ture Fund Act, for each of the first 10 fiscal  
years beginning after September 30, 2026, an  
amount equal to 7 percent of the amount deter-  
mined annually under subparagraph (A)(i)(I).

“(C) APPLICABLE PERCENTAGE.—For  
purposes of subparagraph (A)(ii), the applicable  
percentage shall be equal to—

“(i) for the first fiscal year beginning  
after the period described in subparagraph  
(A)(i), 76 percent,

“(ii) for each of the first 3 fiscal years  
subsequent to the period described in  
clause (i), the applicable percentage for the  
preceding fiscal year increased by 1 per-  
centage point, and

“(iii) for any fiscal year subsequent to  
the period described in clause (ii), 80 per-  
cent.

“(2) CLIMATE CHANGE FINANCE CORPORA-  
TION.—

“(A) IN GENERAL.—For the purposes de-  
scribed in section 2 of the America’s Clean Fu-

ture Fund Act (including any expenses necessary to administer such section), the applicable percentage of such amounts.

“(B) APPLICABLE PERCENTAGE.—For purposes of this paragraph, the applicable percentage shall be equal to—

“(i) for each of the first 10 fiscal years beginning after the period described in subsection (e) of such section, 15 percent,

“(ii) for each of the first 4 fiscal years subsequent to the period described in clause (i), the applicable percentage for the preceding fiscal year increased by 1 percentage point, and

“(iii) for any fiscal year subsequent to the period described in clause (ii), 20 percent.

“(3) TRANSITION ASSISTANCE FOR IMPACTED COMMUNITIES.—

“(A) IN GENERAL.—For the purposes described in section 7 of the America’s Clean Future Fund Act (including any expenses necessary to administer such section), the applicable percentage of such amounts.

1           “(B) APPLICABLE PERCENTAGE.—For  
 2           purposes of this paragraph, the applicable per-  
 3           centage shall be equal to—

4                   “(i) for each of the first 10 fiscal  
 5                   years beginning after September 30, 2026,  
 6                   10 percent,

7                   “(ii) for each of the first 4 fiscal years  
 8                   subsequent to the period described in  
 9                   clause (i), the applicable percentage for the  
 10                  preceding fiscal year reduced by 2 percent-  
 11                  age points, and

12                  “(iii) for any fiscal year subsequent to  
 13                  the period described in clause (ii), 0 per-  
 14                  cent.”.

15           (b) CLERICAL AMENDMENT.—The table of sections  
 16           for subchapter A of chapter 98 of the Internal Revenue  
 17           Code of 1986 is amended by adding at the end the fol-  
 18           lowing new item:

          “Sec. 9512. America’s Clean Future Fund.”.

19   **SEC. 5. AMERICA’S CLEAN FUTURE FUND STIMULUS.**

20           (a) ELIGIBLE INDIVIDUAL.—

21                   (1) IN GENERAL.—In this section, the term “el-  
 22                   igible individual” means, with respect to any quar-  
 23                   ter, any natural living person—

24                           (A) who has a valid Social Security num-  
 25                           ber or taxpayer identification number,

1 (B) who has attained 18 years of age, and  
2 (C) whose principal place of abode is in the  
3 United States for more than one-half of the  
4 most recent taxable year for which a return has  
5 been filed.

6 (2) VERIFICATION.—The Secretary of the  
7 Treasury, or the Secretary’s delegate (referred to in  
8 this section as the “Secretary”) may verify the eligi-  
9 bility of an individual to receive a carbon fee rebate  
10 payment under subsection (b).

11 (b) REBATES.—Subject to subsections (c)(2) and (k),  
12 from amounts in the America’s Clean Future Fund estab-  
13 lished by section 9512(c)(1)(A) of the Internal Revenue  
14 Code of 1986 that are available in any year, the Secretary  
15 shall, for each calendar quarter beginning after September  
16 30, 2026, make carbon fee rebate payments to each eligi-  
17 ble individual, to be known as “America’s Clean Future  
18 Fund Stimulus payments” (referred to in this section as  
19 “carbon fee rebate payments”).

20 (c) PRO-RATA SHARE.—

21 (1) IN GENERAL.—With respect to each quarter  
22 during any fiscal year beginning after September 30,  
23 2026, the carbon fee rebate payment is 1 pro-rata  
24 share for each eligible individual of an amount equal  
25 to 25 percent of amounts apportioned under section

1       9512(c)(1)(A) of the Internal Revenue Code of 1986  
2       for such fiscal year.

3           (2) INITIAL ANNUAL REBATE PAYMENTS.—

4               (A) IN GENERAL.—From amounts appro-  
5       priated under subsection (j), the Secretary  
6       shall, for each of fiscal years 2025 and 2026,  
7       make carbon fee rebate payments to each eligi-  
8       ble individual during the third quarter of each  
9       such fiscal year.

10           (B) PRO-RATA SHARE.—For purposes of  
11       this paragraph, the carbon fee rebate payment  
12       is 1 pro-rata share for each eligible individual  
13       of the amount appropriated under subsection (j)  
14       for the fiscal year.

15           (3) ESTIMATE.—For each fiscal year described  
16       in paragraph (1), the Secretary shall, not later than  
17       the first day of such fiscal year, publicly announce  
18       an estimate of the amount of the carbon fee rebate  
19       payment for each quarter during such fiscal year.

20       (d) PHASEOUT.—

21           (1) DEFINITIONS.—In this subsection:

22               (A) MODIFIED ADJUSTED GROSS IN-  
23       COME.—The term “modified adjusted gross in-  
24       come” means adjusted gross income increased  
25       by any amount excluded from gross income

1 under section 911, 931, or 933 of the Internal  
2 Revenue Code of 1986.

3 (B) HOUSEHOLD MEMBER.—The term  
4 “household member of the taxpayer” means the  
5 taxpayer, the taxpayer’s spouse, and any de-  
6 pendent of the taxpayer.

7 (C) THRESHOLD AMOUNT.—The term  
8 “threshold amount” means—

9 (i) \$150,000 in the case of a taxpayer  
10 filing a joint return, and

11 (ii) \$75,000 in the case of a taxpayer  
12 not filing a joint return.

13 (2) PHASEOUT OF PAYMENTS.—In the case of  
14 any taxpayer whose modified adjusted gross income  
15 for the most recent taxable year for which a return  
16 has been filed exceeds the threshold amount, the  
17 amount of the carbon fee rebate payment otherwise  
18 payable to any household member of the taxpayer  
19 under this section shall be reduced (but not below  
20 zero) by a dollar amount equal to 5 percent of such  
21 payment (as determined before application of this  
22 paragraph) for each \$1,000 (or fraction thereof) by  
23 which the modified adjusted gross income of the tax-  
24 payer exceeds the threshold amount.

1 (e) FEE TREATMENT OF PAYMENTS.—Amounts paid  
 2 under this section shall not be includible in gross income  
 3 for purposes of Federal income taxes.

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

13 (g) DISCLOSURE OF RETURN INFORMATION.—Sec-  
 14 tion 6103(l) of the Internal Revenue Code of 1986 is  
 15 amended by adding at the end the following new para-  
 16 graph:

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

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



1           sure for purposes of administering section 5 of  
2           the America’s Clean Future Fund Act.

3                   “(B) RESTRICTION ON DISCLOSURE.—In-  
4           formation disclosed under this paragraph shall  
5           be disclosed only for purposes of, and to the ex-  
6           tent necessary in, carrying out such section.”.

7           (h) REGULATIONS.—The Secretary shall prescribe  
8   such regulations, and other guidance, as may be necessary  
9   to carry out the purposes of this section, including—

10           (1) establishment of rules for eligible individ-  
11   uals who have not filed a recent tax return, and

12           (2) in coordination with the Commissioner of  
13   Social Security, the Secretary of Veterans Affairs,  
14   and any relevant State agencies, establish methods  
15   to identify eligible individuals and provide carbon fee  
16   rebate payments to such individuals through appro-  
17   priate means of distribution, including through the  
18   use of electronic benefit transfer cards.

19           (i) PUBLIC AWARENESS CAMPAIGN.—The Secretary  
20   shall conduct a public awareness campaign, in coordina-  
21   tion with the Commissioner of Social Security, the heads  
22   of other relevant Federal agencies, and Indian Tribes (as  
23   defined in section 4 of the Indian Self-Determination and  
24   Education Assistance Act (25 U.S.C. 5304)), to provide

1 information to the public regarding the availability of car-  
 2 bon fee rebate payments under this section.

3 (j) INITIAL APPROPRIATION.—For purposes of sub-  
 4 section (c)(2), there is appropriated, out of any funds in  
 5 the Treasury not otherwise appropriated, to remain avail-  
 6 able until expended—

7 (1) for the fiscal year ending September 30,  
 8 2025, \$37,500,000,000, and

9 (2) for the fiscal year ending September 30,  
 10 2026, \$37,500,000,000.

11 (k) TERMINATION.—This section shall not apply to  
 12 any calendar quarter beginning after—

13 (1) a determination by the Secretary under sec-  
 14 tion 4692(d)(3)(B) of the Internal Revenue Code of  
 15 1986; or

16 (2) any period of 8 consecutive calendar quar-  
 17 ters for which the amount of carbon fee rebate pay-  
 18 ment (without application of subsection (d)) during  
 19 each such quarter is less than \$20.

20 **SEC. 6. AGRICULTURAL DECARBONIZATION TRANSITION**  
 21 **PAYMENTS.**

22 (a) PURPOSES.—The purposes of this section are—

23 (1) to provide transition assistance to eligible  
 24 producers in the agricultural sector to prepare for

1 and facilitate entry into greenhouse gas credit mar-  
 2 kets; and

3 (2) to provide for the collection and reporting  
 4 of data under subsection (d).

5 (b) DEFINITIONS.—In this section:

6 (1) ELIGIBLE LAND.—The term “eligible land”  
 7 means land in the United States, including terri-  
 8 tories of the United States and Indian land (as de-  
 9 fined in section 2601 of the Energy Policy Act of  
 10 1992 (25 U.S.C. 3501)), that has a cropping or live-  
 11 stock history during each of the 3 years preceding  
 12 the date on which a payment is provided under the  
 13 program with respect to the land, as determined by  
 14 the Secretary.

15 (2) ELIGIBLE PRODUCER.—The term “eligible  
 16 producer” means an individual or legal entity that—

17 (A) is an owner, operator, or tenant of eli-  
 18 gible land; and

19 (B) has the ability to enter into an agree-  
 20 ment with the Secretary to carry out qualifying  
 21 actions described in subsection (c)(2) under the  
 22 program.

23 (3) GREENHOUSE GAS EMISSIONS REDUC-  
 24 TION.—The term “greenhouse gas emissions reduc-  
 25 tion” means the reduction in greenhouse gas emis-

sions as a result of the adoption of qualifying actions described in subsection (c)(2), as compared to an historical baseline.

(4) PROGRAM.—The term “program” means the program established under subsection (c)(1).

(5) SECRETARY.—The term “Secretary” means the Secretary of Agriculture.

(6) TRADITIONALLY UNDERSERVED.—The term “traditionally underserved”, with respect to an eligible producer, means that the eligible producer—

(A) has been socially or economically disadvantaged by previous discriminatory laws or policies based on race, ethnicity, or disability;

(B) is new to agriculture, as determined by the Secretary;

(C)(i) has served in the United States Armed Forces; and

(ii)(I) has not operated an agriculture operation;

(II) is new to agriculture, as determined by the Secretary; or

(III) first obtained veteran status during the previous 5-year period;

(D) is an owner, operator, or tenant of a limited resource agriculture operation; or

1           (E) has a household income not greater  
2           than the national poverty level.

3           (c) ESTABLISHMENT OF PROGRAM.—

4           (1) IN GENERAL.—The Secretary shall establish  
5           a program to provide payments to eligible producers  
6           that will assist with reducing greenhouse gas emis-  
7           sions through the adoption of qualifying actions de-  
8           scribed in paragraph (2).

9           (2) QUALIFYING ACTIONS.—

10           (A) IN GENERAL.—The Secretary shall de-  
11           termine actions that qualify for payments under  
12           the program.

13           (B) REQUIREMENTS.—To be a qualifying  
14           action under subparagraph (A), an action shall  
15           be—

16                   (i) a climate-smart practice, includ-  
17                   ing—

18                           (I) a practice determined by a  
19                           land-grant college or university (as de-  
20                           fined in section 1404 of the National  
21                           Agricultural Research, Extension, and  
22                           Teaching Policy Act of 1977 (7  
23                           U.S.C. 3103)); or

24                           (II) climate-smart energy genera-  
25                           tion, fueling, or efficiency; and

1                   (ii) measurable, reportable, and  
2                   verifiable for reducing greenhouse gas  
3                   emissions, as determined by the Secretary.

4           (3) CONSIDERATIONS.—In determining the rate  
5           and duration of a payment under paragraph (1), the  
6           Secretary shall consider—

7                   (A) the degree of additionality of the  
8                   greenhouse gas emissions reduction;

9                   (B) whether the recipient of the payment  
10                  was an early adopter of 1 or more practices  
11                  that reduce greenhouse gas emissions;

12                  (C) the likelihood that the applicable quali-  
13                  fying action described in paragraph (2) would  
14                  have been carried out absent the provision of  
15                  the payment;

16                  (D) the degree of transitionality or perma-  
17                  nence of the greenhouse gas emissions reduc-  
18                  tion;

19                  (E) whether the applicable qualifying ac-  
20                  tion described in paragraph (2) provides mul-  
21                  tiple environmental and health co-benefits in  
22                  addition to reduced greenhouse gas emissions;

23                  (F) the degree to which the recipient of the  
24                  payment is a traditionally underserved eligible  
25                  producer;

1 (G) the integration with and enhancement  
2 of payments and policies of similar Federal,  
3 State, or local programs; and

4 (H) any payments received, or to be re-  
5 ceived, by the applicable eligible producer from  
6 a similar Federal, State, or local program for  
7 applicable qualifying actions described in para-  
8 graph (2).

9 (4) INELIGIBILITY.—A person that is deter-  
10 mined to be in violation of any applicable water or  
11 air quality regulation, including under the Federal  
12 Water Pollution Control Act (33 U.S.C. 1251 et  
13 seq.) (including regulations), shall not be eligible for  
14 any payment under paragraph (1) during the period  
15 of the violation.

16 (5) EFFECTIVENESS.—The authority to provide  
17 payments under this subsection shall be effective for  
18 each of the first 10 fiscal years beginning after Sep-  
19 tember 30, 2025.

20 (d) COLLECTION OF DATA AND REPORTING.—

21 (1) MEASUREMENT SYSTEM.—The Secretary  
22 shall use an outcomes-based measurement system  
23 that uses the best available science and technology  
24 for cost-effective recordkeeping, modeling, and meas-

1       urement of farm-level greenhouse gas emissions on  
2       eligible land enrolled in the program.

3           (2) INVENTORY.—

4               (A) IN GENERAL.—For the purposes of  
5       providing payments under the program, the  
6       Secretary shall conduct a nationwide soil health  
7       and agricultural greenhouse gas emissions in-  
8       ventory that uses the best available science and  
9       data to establish baselines and expected average  
10      performance for soil carbon drawdown and stor-  
11      age and greenhouse gas emissions reduction by  
12      primary production type and production region.

13           (B) DATABASE.—The Secretary shall—

14               (i) establish an accessible and inter-  
15      operable database for the inventory estab-  
16      lished under subparagraph (A) using the  
17      measurement system established under  
18      paragraph (1); and

19               (ii) improve and update the database  
20      as new data is collected, but not less fre-  
21      quently than once every 2 years.

22           (3) CRITERIA.—

23               (A) IN GENERAL.—The Secretary shall es-  
24      tablish criteria for payments under the program



1 to inform policy and markets established to pro-  
2 mote greenhouse gas emissions reductions.

3 (B) REQUIREMENTS.—The criteria estab-  
4 lished under subparagraph (A) shall—

5 (i) have a documented likelihood of  
6 providing long-term net greenhouse gas  
7 emissions reductions, according to the best  
8 available science;

9 (ii) be based in part on environmental  
10 impact modeling of the changes of shifting  
11 from baseline practices to new or improved  
12 practices; and

13 (iii) prevent, to the maximum extent  
14 practicable, the degradation of other nat-  
15 ural resource or environmental conditions.

16 (4) MEASUREMENT, REPORTING, MONITORING,  
17 AND VERIFICATION SERVICES.—

18 (A) IN GENERAL.—The Secretary—

19 (i) shall provide services described in  
20 subparagraph (B) to eligible producers  
21 participating in the program; and

22 (ii) may approve and provide oversight  
23 of 1 or more third-party agents to provide  
24 services described in subparagraph (B) to

1 eligible producers participating in the pro-  
2 gram.

3 (B) SERVICES DESCRIBED.—Services re-  
4 ferred to in subparagraph (A) are determining  
5 the greenhouse gas emissions reduction by—

- 6 (i) measurement;
- 7 (ii) reporting;
- 8 (iii) monitoring; and
- 9 (iv) verification.

10 (C) USE OF PROTOCOLS.—Services re-  
11 ferred to in subparagraph (A) shall be provided  
12 using—

- 13 (i) the measurement system described  
14 in paragraph (1); and
- 15 (ii) the criteria described in paragraph  
16 (3).

17 (D) PRIVACY AND DATA SECURITY.—

18 (i) IN GENERAL.—The Secretary shall  
19 establish—

- 20 (I) safeguards to protect the pri-  
21 vacy of information that is submitted  
22 through or retained by a third-party  
23 agent approved under subparagraph  
24 (A), including employees and contrac-  
25 tors of the third-party agent; and

1 (II) such other rules and stand-  
 2 ards of data security as the Secretary  
 3 determines to be appropriate to carry  
 4 out this subsection.

5 (ii) PENALTIES.—The Secretary shall  
 6 establish penalties for any violations of pri-  
 7 vacy or confidentiality under clause (i).

8 (E) DISCLOSURE OF INFORMATION.—

9 (i) PUBLIC DISCLOSURE.—Informa-  
 10 tion collected for purposes of services pro-  
 11 vided under subparagraph (A) may be dis-  
 12 closed to the public—

13 (I) if the information is trans-  
 14 formed into a statistical or aggregate  
 15 form such that the information does  
 16 not include any identifiable or per-  
 17 sonal information of individual pro-  
 18 ducers; or

19 (II) in a form that may include  
 20 identifiable or personal information of  
 21 a producer only if that producer con-  
 22 sents to the disclosure of the informa-  
 23 tion.

24 (ii) RESEARCH, AUDIT, AND PROGRAM  
 25 IMPROVEMENT.—Information collected for

the purposes of services provided under subparagraph (A) may be disclosed for the purposes of providing technical assistance, including audit, research, or improvement of a program under this section, either in aggregate or in a form that includes identifiable or personal information of a producer, if the Secretary obtains adequate assurances that—

(I) the recipient shall ensure privacy safeguards of identifiable or personal information of a producer; and

(II) the release of any data to the public will only occur only if the data has been transformed into a statistical or aggregate form.

(e) REGULATIONS.—Not later than July 1, 2025, the Secretary shall promulgate regulations to carry out this section, including—

(1) the amount of a payment under subsection

(c), which shall be based on—

(A) the quantity of carbon dioxide equivalent emissions reduced; and

(B) the considerations described in subsection (c)(3);

1           (2) a methodology that any third-party agents  
 2           approved under subsection (d)(4)(A)(ii) shall use to  
 3           provide the services under that subsection, includ-  
 4           ing—

5                       (A) an accreditation process; and

6                       (B) a conflict of interest policy; and

7           (3) provisions for the ownership and transport-  
 8           ability of data, including historical data, generated  
 9           by an eligible producer for the purpose of deter-  
 10          mining eligibility for payments under the program.

11 **SEC. 7. TRANSITION ASSISTANCE FOR IMPACTED COMMU-**  
 12 **NITIES.**

13          (a) DEFINITIONS.—In this section:

14               (1) INDIAN TRIBE.—The term “Indian Tribe”  
 15               has the meaning given the term in section 4 of the  
 16               Indian Self-Determination and Education Assistance  
 17               Act (25 U.S.C. 5304).

18               (2) INDIVIDUAL WITH A BARRIER TO EMPLOY-  
 19               MENT.—The term “individual with a barrier to em-  
 20               ployment” has the meaning given the term in section  
 21               3 of the Workforce Innovation and Opportunity Act  
 22               (29 U.S.C. 3102).

23               (3) INSTITUTION OF HIGHER EDUCATION.—The  
 24               term “institution of higher education” has the

1 meaning given the term in section 101 of the Higher  
2 Education Act of 1965 (20 U.S.C. 1001).

3 (4) LOCAL BOARD.—The term “local board”  
4 has the meaning given the term in section 3 of the  
5 Workforce Innovation and Opportunity Act (29  
6 U.S.C. 3102).

7 (5) RECOGNIZED POSTSECONDARY CREDEN-  
8 TIAL.—The term “recognized postsecondary creden-  
9 tial” has the meaning given the term in section 3 of  
10 the Workforce Innovation and Opportunity Act (29  
11 U.S.C. 3102).

12 (6) SECRETARY.—The term “Secretary” means  
13 the Secretary of Commerce, acting through the As-  
14 sistant Secretary of Commerce for Economic Devel-  
15 opment.

16 (7) STATE.—The term “State” means—  
17 (A) a State;  
18 (B) the District of Columbia;  
19 (C) the Commonwealth of Puerto Rico;  
20 and  
21 (D) any other territory or possession of the  
22 United States.

23 (8) STATE BOARD.—The term “State board”  
24 has the meaning given the term in section 3 of the

1 Workforce Innovation and Opportunity Act (29  
2 U.S.C. 3102).

3 (9) SUPPORTIVE SERVICES.—The term “sup-  
4 portive services” has the meaning given the term in  
5 section 3 of the Workforce Innovation and Oppor-  
6 tunity Act (29 U.S.C. 3102).

7 (b) GRANTS.—The Secretary, in coordination with  
8 the Secretary of Labor, shall provide grants to eligible en-  
9 tities to assist in the transition to a low- or zero-green-  
10 house gas emitting economy.

11 (c) ELIGIBLE ENTITIES.—An entity eligible to re-  
12 ceive a grant under this section is a labor organization,  
13 an institution of higher education, a unit of State or local  
14 government, an Indian Tribe, an economic development  
15 organization, a nonprofit organization, community-based  
16 organization, or intermediary, or a State board or local  
17 board that serves or is located in a community that—

18 (1) as determined by the Secretary, in coordina-  
19 tion with the Secretary of Labor, has been or will be  
20 impacted by economic changes in carbon-intensive  
21 industries, including in an energy community (as de-  
22 fined in section 45(b)(11) of the Internal Revenue  
23 Code of 1986);

24 (2) as determined by the Secretary, in consulta-  
25 tion with the Administrator of the Federal Emer-

1 agency Management Agency, has been or is at risk of  
 2 being impacted by extreme weather events, sea level  
 3 rise, and natural disasters related to climate change;  
 4 or

5 (3) as determined by the Secretary, in consulta-  
 6 tion with the Administrator of the Environmental  
 7 Protection Agency, has been impacted by harmful  
 8 residuals from a fossil fuel or carbon-intensive in-  
 9 dustry.

10 (d) USE OF FUNDS.—An eligible entity that receives  
 11 a grant under this section shall use the grant for—

12 (1) economic and workforce development activi-  
 13 ties, such as—

14 (A) job creation;

15 (B) providing reemployment and worker  
 16 transition assistance, including registered ap-  
 17 prenticeships, subsidized employment, job train-  
 18 ing, transitional jobs, and supportive services,  
 19 with priority given to—

20 (i) workers impacted by changes in  
 21 carbon-intensive industries;

22 (ii) individuals with a barrier to em-  
 23 ployment; and

24 (iii) programs that lead to a recog-  
 25 nized postsecondary credential;



1 (C) local and regional investment, includ-  
 2 ing commercial and industrial economic diver-  
 3 sification;

4 (D) export promotion; and

5 (E) establishment of a monthly subsidy  
 6 payment for workers who retire early due to  
 7 economic changes in carbon-intensive industries;

8 (2) climate change resiliency, such as—

9 (A) building electrical, communications,  
 10 utility, transportation, and other infrastructure  
 11 in flood-prone areas above flood zone levels;

12 (B) building flood and stormproofing  
 13 measures in flood-prone areas and erosion-  
 14 prone areas;

15 (C) increasing the resilience of a surface  
 16 transportation infrastructure asset to withstand  
 17 extreme weather events and climate change im-  
 18 pacts;

19 (D) improving stormwater infrastructure;

20 (E) increasing the resilience of agriculture  
 21 to extreme weather;

22 (F) ecological restoration;

23 (G) increasing the resilience of forests to  
 24 wildfires;

25 (H) increasing coastal resilience; and

1 (I) implementing heat island cooling strat-  
 2 egies;

3 (3) environmental remediation and restoration  
 4 projects of fossil fuel industry facilities that are  
 5 abandoned or retired, or closed due to bankruptcy,  
 6 and residuals from carbon-intensive industries, such  
 7 as—

8 (A) coal ash and petroleum coke cleanup;

9 (B) mine reclamation;

10 (C) reclamation and plugging of aban-  
 11 doned oil and natural gas wells on private and  
 12 public land; and

13 (D) remediation of impaired waterways  
 14 and drinking water resources; or

15 (4) other activities as the Secretary, in coordi-  
 16 nation with the Secretary of Labor, the Adminis-  
 17 trator of the Federal Emergency Management Agen-  
 18 cy, and the Administrator of the Environmental Pro-  
 19 tection Agency, determines to be appropriate.

20 (e) REQUIREMENTS.—

21 (1) LABOR STANDARDS; NONDISCRIMINA-  
 22 TION.—An eligible entity that receives a grant under  
 23 this section shall use the funds in a manner con-  
 24 sistent with sections 181 and 188 of the Workforce

1 Innovation and Opportunity Act (29 U.S.C. 3241,  
2 3248).

3 (2) WAGE RATE REQUIREMENTS.—

4 (A) IN GENERAL.—All laborers and me-  
5 chanics employed by eligible entities to carry  
6 out projects and activities funded directly by or  
7 assisted in whole or in part by a grant under  
8 this section shall be paid at wages at rates not  
9 less than those prevailing on projects of a simi-  
10 lar character in the locality as determined by  
11 the Secretary of Labor in accordance with sub-  
12 chapter IV of chapter 31 of title 40, United  
13 States Code (commonly known as the “Davis-  
14 Bacon Act”).

15 (B) AUTHORITY.—With respect to the  
16 labor standards specified in subparagraph (A),  
17 the Secretary of Labor shall have the authority  
18 and functions set forth in Reorganization Plan  
19 Numbered 14 of 1950 (64 Stat. 1267; 5 U.S.C.  
20 App.) and section 3145 of title 40, United  
21 States Code.

22 (3) BUY AMERICA REQUIREMENTS.—

23 (A) IN GENERAL.—All iron, steel, and  
24 manufactured goods used for projects and ac-

1           activities carried out with a grant under this sec-  
2           tion shall be produced in the United States.

3                   (B) WAIVER.—The Secretary may waive  
4           the requirement in subparagraph (A) if the Sec-  
5           retary finds that—

6                           (i) enforcing the requirement would be  
7                   inconsistent with the public interest;

8                           (ii) the iron, steel, and manufactured  
9                   goods produced in the United States are  
10                  not produced in a sufficient and reasonably  
11                  available amount or are not of a satisfac-  
12                  tory quality; or

13                          (iii) enforcing the requirement will in-  
14                  crease the overall cost of the project or ac-  
15                  tivity by more than 25 percent.

16           (f) COORDINATION.—An eligible entity that receives  
17   a grant under this section is encouraged to collaborate or  
18   partner with other eligible entities and impacted commu-  
19   nities in planning and carrying out activities with that  
20   grant.

21           (g) REPORT.—Not later than 3 years after the date  
22   on which the Secretary establishes the grant program  
23   under this section, the Secretary and the Secretary of  
24   Labor shall submit to Congress a report on the effective-  
25   ness of the grant program, including—

1           (1) the number of individuals that have received  
2           reemployment or worker transition assistance under  
3           this section;

4           (2) a description of any job creation activities  
5           carried out with a grant under this section and the  
6           number of jobs created from those activities;

7           (3) the percentage of individuals that have re-  
8           ceived reemployment or worker transition assistance  
9           under this section who are, during the second and  
10          fourth quarters after exiting the program—

11                   (A) in education or training activities; or

12                   (B) employed;

13          (4) the average wages of individuals that have  
14          received reemployment or worker transition assist-  
15          ance under this section during the second and fourth  
16          quarters after exit from the program;

17          (5) a description of any regional investment ac-  
18          tivities carried out with a grant under this section;

19          (6) a description of any export promotion activi-  
20          ties carried out with a grant under this section, in-  
21          cluding—

22                   (A) a description of the products pro-  
23                   moted; and

24                   (B) an analysis of any increase in exports  
25                   as a result of the promotion;

1 (7) a description of any resilience activities car-  
 2 ried out with a grant under this section;

3 (8) a description of any cleanup activities from  
 4 fossil fuel industry facilities or carbon-intensive in-  
 5 dustries carried out with a grant under this section;  
 6 and

7 (9) the distribution of funding among geo-  
 8 graphic and socioeconomic groups, including urban  
 9 and rural communities, low-income communities,  
 10 communities of color, and Indian Tribes.

11 (h) FUNDING.—

12 (1) INITIAL FUNDING.—There is appropriated  
 13 to the Secretary, out of any funds in the Treasury  
 14 not otherwise appropriated, \$5,000,000,000 for each  
 15 of fiscal years 2025 and 2026 to carry out this sec-  
 16 tion, to remain available until expended.

17 (2) AMERICA’S CLEAN FUTURE FUND.—The  
 18 Secretary shall carry out this section using amounts  
 19 made available from the America’s Clean Future  
 20 Fund under section 9512 of the Internal Revenue  
 21 Code of 1986 (as added by section 4).

22 **SEC. 8. STUDY ON CARBON PRICING.**

23 (a) IN GENERAL.—Not later than January 1, 2028,  
 24 the Administrator of the Environmental Protection Agen-  
 25 cy (referred to in this section as the “Administrator”)

1 shall seek to enter into an agreement with the National  
 2 Academy of Sciences under which the National Academy  
 3 of Sciences shall carry out a study not less frequently than  
 4 once every 5 years to evaluate the effectiveness of the fees  
 5 established under sections 4692 and 4693 of the Internal  
 6 Revenue Code of 1986 in achieving the following goals:

7           (1) A net reduction of greenhouse gas emissions  
 8           by 45 percent, based on 2018 levels, by 2030.

9           (2) A net reduction of greenhouse gas emissions  
 10          by 100 percent, based on 2018 levels, by 2050.

11          (b) REQUIREMENTS.—In executing the agreement  
 12 under subsection (a), the Administrator shall ensure that,  
 13 in carrying out a study under that subsection, the Na-  
 14 tional Academy of Sciences—

15           (1) includes an evaluation of—

16                   (A) total annual greenhouse gas emissions  
 17                   by the United States, including greenhouse gas  
 18                   emissions not subject to the fees described in  
 19                   that subsection;

20                   (B) the historic trends in the total green-  
 21                   house gas emissions evaluated under subpara-  
 22                   graph (A); and

23                   (C) the impacts of the fees established  
 24                   under sections 4692 and 4693 of the Internal  
 25                   Revenue Code of 1986 on changes in the levels

1 of fossil fuel-related localized air pollutants in  
2 environmental justice communities (as defined  
3 in section 2(e)(1));

4 (2) analyzes the extent to which greenhouse gas  
5 emissions have been or would be reduced as a result  
6 of current and potential future policies, including—

7 (A) a projection of greenhouse gas emis-  
8 sions reductions that would result if the regula-  
9 tions of the Administrator were to be adjusted  
10 to impose stricter limits on greenhouse gas  
11 emissions than the goals described in that sub-  
12 section, with a particular focus on greenhouse  
13 gas emissions not subject to the fees described  
14 in that subsection;

15 (B) the status of greenhouse gas emissions  
16 reductions that result from the fees established  
17 under sections 4692 and 4693 of the Internal  
18 Revenue Code of 1986;

19 (C) a projection of greenhouse gas emis-  
20 sions reductions that would result if the fees es-  
21 tablished under those sections were annually in-  
22 creased—

23 (i) at the current price path; and

24 (ii) above the current price path;



1 (D) an analysis of greenhouse gas emis-  
 2 sions reductions that result from the policies of  
 3 States, units of local government, Tribal com-  
 4 munities, and the private sector; and

5 (E) the status and projections of  
 6 decarbonization in other major economies; and

7 (3) submits a report to the Administrator, Con-  
 8 gress, and the Board of Directors of the Climate  
 9 Change Finance Corporation describing the results  
 10 of the study.

11 **SEC. 9. ESTABLISHMENT OF TARGETS FOR CARBON SE-**  
 12 **QUESTRATION BY LAND AND WATER.**

13 (a) IN GENERAL.—The Chair of the Council on Envi-  
 14 ronmental Quality, in consultation with the Secretaries of  
 15 Agriculture, Commerce, and the Interior, the Chief of En-  
 16 gineers, and the Administrator of the Environmental Pro-  
 17 tection Agency, shall—

18 (1) establish a target for carbon sequestration  
 19 that can reasonably be achieved through enhancing  
 20 the ability of public and private land and water to  
 21 function as natural carbon sinks;

22 (2) develop strategies for meeting that target;  
 23 and

1           (3) develop strategies to expand protections for  
2       ecosystems that sequester carbon and provide resil-  
3       iency benefits, such as—

- 4                   (A) flood protection;  
5                   (B) soil and beach retention;  
6                   (C) erosion reduction;  
7                   (D) biodiversity;  
8                   (E) water purification; and  
9                   (F) nutrient cycling.

10       (b) REPORT.—As soon as practicable after the date  
11   of enactment of this Act, the Chair of the Council on Envi-  
12   ronmental Quality shall submit to Congress a report de-  
13   scribing—

- 14           (1) the target and strategies described in para-  
15       graphs (1) through (3) of subsection (a); and  
16           (2) any additional statutory authorities or au-  
17       thorized funding levels needed to successfully imple-  
18       ment those strategies.

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