H. R. 11

To eliminate certain subsidies for fossil-fuel production.

IN THE HOUSE OF REPRESENTATIVES

Ms. Omar introduced the following bill; which was referred to the Committee on ______

A BILL

To eliminate certain subsidies for fossil-fuel production.

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 “End Polluter Welfare
5 Act of 2020”.

6 SEC. 2. TABLE OF CONTENTS.

7 The table of contents for this Act is as follows:

Sec. 1. Short title.
Sec. 2. Table of contents.

TITLE I—ELIMINATION OF SUBSIDIES FOR FOSSIL-FUEL PRODUCTION

Sec. 101. Definition of fossil fuel.
Sec. 102. Royalty Relief.
Sec. 103. Royalties under Mineral Leasing Act.
Sec. 104. Elimination of interest payments for royalty overpayments.
Sec. 105. Removal of limits on liability for offshore facilities and pipeline operators.
Sec. 106. Restrictions on use of appropriated funds by international financial institutions for projects that support fossil fuel.
Sec. 107. Fossil Energy Research and Development Program.
Sec. 109. Incentives for innovative technologies.
Sec. 110. Rural Utility Service loan guarantees.
Sec. 111. Prohibition on use of funds by the United States International Development Finance Corporation or the Export-Import Bank of the United States for financing projects, transactions, or other activities that support fossil fuel.
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Sec. 113. Elimination of exclusion of certain lenders as owners or operators under CERCLA.
Sec. 114. Termination of various tax expenditures relating to fossil fuels.
Sec. 115. Termination of certain deductions and credits related to fossil fuels.
Sec. 116. Uniform seven-year amortization for geological and geophysical expenditures.
Sec. 117. Natural gas gathering lines treated as 15-year property.
Sec. 118. Termination of last-in, first-out method of inventory for oil, natural gas, and coal companies.
Sec. 119. Repeal of percentage depletion for coal and hard mineral fossil fuels.
Sec. 120. Termination of capital gains treatment for royalties from coal.
Sec. 121. Modifications of foreign tax credit rules applicable to oil and gas industry taxpayers receiving specific economic benefits.
Sec. 122. Increase in oil spill liability trust fund financing rate.
Sec. 123. Application of certain environmental taxes to synthetic crude oil.
Sec. 124. Denial of deduction for removal costs and damages for certain oil spills.
Sec. 125. Tax on crude oil and natural gas produced from the outer Continental Shelf in the Gulf of Mexico.
Sec. 126. Repeal of corporate income tax exemption for publicly traded partnerships with qualifying income and gains from activities relating to fossil fuels.
Sec. 127. Amortization of qualified tertiary injectant expenses.
Sec. 128. Amortization of development expenditures.
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TITLE II—ADDITIONAL LIMITATIONS ON CERTAIN FOSSIL-FUEL PRODUCTION SUBSIDIES

Sec. 201. Limitation on certain forms of assistance under the CARES Act.
Sec. 202. Limitations on banks operating fossil fuel companies.
Sec. 203. Moratorium on oil and natural gas lease sales, noncompetitive leases for oil or natural gas, the issuance of coal leases, and modifications to certain regulations.
Sec. 204. Strategic Petroleum Reserve.
Sec. 205. Limitation on availability of funds under the Defense Production Act of 1950.
Sec. 206. Repeal of royalty relief provisions.
Sec. 207. Extension of public comment periods and suspension of rulemaking.

TITLE I—ELIMINATION OF SUBSIDIES FOR FOSSIL-FUEL PRODUCTION

SEC. 101. DEFINITION OF FOSSIL FUEL.

In this Act, the term “fossil fuel” means coal, petroleum, natural gas, or any derivative of coal, petroleum, or natural gas that is used for fuel.

SEC. 102. ROYALTY RELIEF.

(a) IN GENERAL.—

(1) OUTER CONTINENTAL SHELF LANDS ACT.—

Section 8(a)(3) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(a)(3)) is amended—

(A) by striking subparagraph (B); and

(B) by redesignating subparagraph (C) as subparagraph (B).

(2) ENERGY POLICY ACT OF 2005.—

(A) INCENTIVES FOR NATURAL GAS PRODUCTION FROM DEEP WELLS IN THE SHALLOW WATERS OF THE GULF OF MEXICO.—Section

(B) DEEP WATER PRODUCTION.—Section 345 of the Energy Policy Act of 2005 (42 U.S.C. 15905) is repealed.

(b) FUTURE PROVISIONS.—Notwithstanding any other provision of law, royalty relief shall not be permitted under a lease issued under section 8 of the Outer Continental Shelf Lands Act (43 U.S.C. 1337).

SEC. 103. ROYALTIES UNDER MINERAL LEASING ACT.

(a) COAL LEASES.—Section 7(a) of the Mineral Leasing Act (30 U.S.C. 207(a)) is amended in the fourth sentence by striking “12½ per centum” and inserting “18¾ percent”.

(b) LEASES ON LAND ON WHICH OIL OR NATURAL GAS IS DISCOVERED.—Section 14 of the Mineral Leasing Act (30 U.S.C. 223) is amended in the fourth sentence by striking “12½ per centum” and inserting “18¾ percent”.

(e) LEASES ON LAND KNOWN OR BELIEVED TO CONTAIN OIL OR NATURAL GAS.—Section 17 of the Mineral Leasing Act (30 U.S.C. 226) is amended—

(1) in subsection (b)—
(A) in paragraph (1)(A), in the fifth sentence, by striking “12.5 percent” and inserting “183⁄4 percent”; and

(B) in paragraph (2)(A)(ii), by striking “12½ per centum” and inserting “18 3⁄4 per-cent”;

(2) in subsection (c)(1), in the second sentence, by striking “12.5 percent” and inserting “18 3⁄4 per-cent”;

(3) in subsection (l), by striking “12 1⁄2 per centum” each place it appears and inserting “18 3⁄4 per-cent”; and

(4) in subsection (n)(1)(C), by striking “12½ per centum” and inserting “18¾ percent”.

SEC. 104. ELIMINATION OF INTEREST PAYMENTS FOR ROYALTY OVERPAYMENTS.

Section 111 of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1721) is amended by adding at the end the following:

“(k) PAYMENT OF INTEREST.—Interest shall not be paid on any overpayment.”.
SEC. 105. REMOVAL OF LIMITS ON LIABILITY FOR OFF-SHORE FACILITIES AND PIPELINE OPERATORS.

Section 1004(a) of the Oil Pollution Act of 1990 (33 U.S.C. 2704(a)) is amended—

(1) in paragraph (3), by striking “plus $75,000,000; and” and inserting “and the liability of the responsible party under section 1002;”;

(2) in paragraph (4)—

(A) by inserting “(except an onshore pipeline transporting diluted bitumen, bituminous mixtures, or any oil manufactured from bitumen)” after “for any onshore facility”; and

(B) by striking the period at the end and inserting “; and”;

(3) by adding at the end the following:

“(5) for any onshore facility transporting diluted bitumen, bituminous mixtures, or any oil manufactured from bitumen, the liability of the responsible party under section 1002.”.

SEC. 106. RESTRICTIONS ON USE OF APPROPRIATED FUNDS BY INTERNATIONAL FINANCIAL INSTITUTIONS FOR PROJECTS THAT SUPPORT FOSSIL FUEL.

(a) Rescission of Unobligated Funds.—
(1) **IN GENERAL.**—Of the unobligated balance of amounts appropriated or otherwise made available for a contribution of the United States to an international financial institution, an amount specified in paragraph (2) shall be rescinded if the institution provides support for a project that supports the production or use of fossil fuels.

(2) **AMOUNT SPECIFIED.**—The amount specified in this paragraph is an amount the Secretary of the Treasury determines to be equivalent to the amount of support provided by an international financial institution described in paragraph (1) for a project that supports the production or use of fossil fuels.

(b) **PROHIBITION ON USE OF FUTURE FUNDS.**—No amounts appropriated or otherwise made available for a contribution of the United States to an international financial institution may be provided to the institution unless the institution agrees to not use the amount to provide support for any project that supports the production or use of fossil fuels.

(c) **INTERNATIONAL FINANCIAL INSTITUTION DEFINED.**—In this section, the term “international financial institution” has the meaning given that term in section 1701(c) of the International Financial Institutions Act (22 U.S.C. 262r(e)).
SEC. 107. FOSSIL ENERGY RESEARCH AND DEVELOPMENT PROGRAM.

(a) TERMINATION OF AUTHORITY.—Notwithstanding any other provision of law, the authority of the Secretary of Energy to carry out the Fossil Energy Research and Development Program of the Department of Energy is terminated.

(b) RESCISSION.—Notwithstanding any other provision of law—

(1) all amounts made available for the Fossil Energy Research and Development Program that remain unobligated as of the date of enactment of this Act are rescinded; and

(2) no amounts made available after the date of enactment of this Act for the Fossil Energy Research and Development Program shall be expended, other than such amounts as are necessary to cover costs incurred in terminating ongoing research of the Fossil Energy Research and Development Program, as determined by the Secretary of Energy, in consultation with other appropriate Federal agencies.
SEC. 108. ADVANCED RESEARCH PROJECTS AGENCY—ENERGY.

None of the funds made available to the Advanced Research Projects Agency—Energy shall be used to carry out any project that supports fossil fuel.

SEC. 109. INCENTIVES FOR INNOVATIVE TECHNOLOGIES.

(a) In General.—Section 1703 of the Energy Policy Act of 2005 (42 U.S.C. 16513) is amended—

(1) in subsection (b)—

(A) by striking paragraph (2);

(B) by redesignating paragraphs (3) through (9) as paragraphs (2) through (8), respectively; and

(C) by striking paragraph (10);

(2) by striking subsection (e); and

(3) by redesignating subsections (d) and (e) as subsections (e) and (d), respectively.

(b) CONFORMING AMENDMENT.—Section 1704 of the Energy Policy Act of 2005 (42 U.S.C. 16514) is amended—

(1) by striking the section designation and heading and all that follows through “There are” in subsection (a) and inserting the following:

“SEC. 1704. AUTHORIZATION OF APPROPRIATIONS.

“There are”; and

(2) by striking subsection (b).
SEC. 110. RURAL UTILITY SERVICE LOAN GUARANTEES.

Notwithstanding any other provision of law, the Secretary of Agriculture may not make a loan under title III of the Rural Electrification Act of 1936 (7 U.S.C. 931 et seq.) to an applicant for the purpose of carrying out any project that will use fossil fuel.

SEC. 111. PROHIBITION ON USE OF FUNDS BY THE UNITED STATES INTERNATIONAL DEVELOPMENT FINANCE CORPORATION OR THE EXPORT-IMPORT BANK OF THE UNITED STATES FOR FINANCING PROJECTS, TRANSACTIONS, OR OTHER ACTIVITIES THAT SUPPORT FOSSIL FUEL.

Notwithstanding any other provision of law, no amounts appropriated or otherwise made available for the United States International Development Finance Corporation or the Export-Import Bank of the United States that are available for obligation on or after the date of the enactment of this Act may be obligated or expended to support any project, transaction, or other activity that supports the production or use of fossil fuels.

SEC. 112. TRANSPORTATION FUNDS FOR GRANTS, LOANS, LOAN GUARANTEES, AND OTHER DIRECT ASSISTANCE.

Notwithstanding any other provision of law, any amounts made available to the Department of Transport-
Section 101(20)(F) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601(20)(F)) is amended by adding at the end the following:

“(iii) INELIGIBLE LENDERS.—The exclusions under clauses (i) and (ii) shall not apply to a person that is a lender that is—

“(I) an investment company registered under the Investment Company Act of 1940 (15 U.S.C. 80a–1 et seq.), investment adviser (as defined in section 202(a) of the Investment Advisers Act of 1940 (15 U.S.C. 80b–2(a))), or broker or dealer (as those terms are defined in section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78a(a))) with...
$250,000,000,000 or more in assets under management; or

“(II) a bank holding company (as defined in section 2 of the Bank Holding Company Act of 1956 (12 U.S.C. 1841)) with $10,000,000,000 or more in total consolidated assets.”.

SEC. 114. TERMINATION OF VARIOUS TAX EXPENDITURES RELATING TO FOSSIL FUELS.

(a) IN GENERAL.—Subchapter C of chapter 80 of the Internal Revenue Code of 1986 is amended by adding at the end the following new section:

“SEC. 7875. TERMINATION OF CERTAIN PROVISIONS RELATING TO FOSSIL-FUEL INCENTIVES.

“(a) IN GENERAL.—The following provisions shall not apply to taxable years beginning after the date of the enactment of the End Polluter Welfare Act of 2020:

“(1) Section 43 (relating to enhanced oil recovery credit).

“(2) Section 45I (relating to credit for producing oil and natural gas from marginal wells).

“(3) Section 461(i)(2) (relating to special rule for spudding of oil or natural gas wells).

“(4) Section 469(c)(3)(A) (relating to working interests in oil and natural gas property).
“(5) Section 613A (relating to limitations on percentage depletion in case of oil and natural gas wells).

“(b) PROVISIONS RELATING TO PROPERTY.—The following provisions shall not apply to property placed in service after the date of the enactment of the End Polluter Welfare Act of 2020:

“(1) Section 168(e)(3)(C)(iii) (relating to classification of certain property).

“(2) Section 169 (relating to amortization of pollution control facilities) with respect to any atmospheric pollution control facility.

“(c) PROVISIONS RELATING TO COSTS AND EXPENSES.—The following provisions shall not apply to costs or expenses paid or incurred after the date of the enactment of the End Polluter Welfare Act of 2020:

“(1) Section 179B (relating to deduction for capital costs incurred in complying with Environmental Protection Agency sulfur regulations).

“(2) Section 468 (relating to special rules for mining and solid waste reclamation and closing costs).

“(d) ALLOCATED CREDITS.—No new credits shall be certified under section 48A (relating to qualifying advanced coal project credit) or section 48B (relating to
qualifying gasification project credit) after the date of the enactment of the End Polluter Welfare Act of 2020.

“(e) ARBITRAGE BONDS.—Section 148(b)(4) (relating to safe harbor for prepaid natural gas) shall not apply to obligations issued after the date of the enactment of the End Polluter Welfare Act of 2020.”.

(b) CONFORMING AMENDMENTS.—

(1) Section 613(d) of the Internal Revenue Code of 1986 is amended by striking “Except as provided in section 613A, in the case” and inserting “In the case”.

(2) The table of sections for subchapter C of chapter 90 of such Code is amended by adding at the end the following new item:

“Sec. 7875. Termination of certain provisions.”.

SEC. 115. TERMINATION OF CERTAIN DEDUCTIONS AND CREDITS RELATED TO FOSSIL FUELS.

(a) SPECIAL ALLOWANCE FOR CERTAIN PROPERTY.—Section 168(k) of the Internal Revenue Code of 1986 is amended by adding at the end the following:

“(11) FOSSIL FUEL PROPERTY.—

“(A) IN GENERAL.—This subsection shall not apply with respect to any property which is primarily used for fossil fuel activities and is placed in service during any taxable year begin-
ning after the date of the enactment of the End Polluter Welfare Act of 2020.

“(B) FOSSIL FUEL ACTIVITIES.—For purposes of this paragraph, the term ‘fossil fuel activities’ means the exploration, development, mining or production, processing, refining, transportation (including pipelines transporting gas, oil, or products thereof), distribution, or marketing of coal, petroleum, natural gas, or any derivative of coal, petroleum, or natural gas that is used for fuel.

“(C) EXCEPTION.—The property described in subparagraph (A) shall not include any motor vehicle service station or convenience store which does not qualify as a retail motor fuels outlet under subsection (e)(3)(E)(iii).”.

(b) QUALIFIED BUSINESS INCOME.—Section 199A(c)(3)(B) of the Internal Revenue Code of 1986 is amended by adding at the end the following:

“(viii) Any item of gain or loss derived from fossil fuel activities (as defined in section 168(k)(11)(B)) during any taxable year beginning after the date of the enactment of the End Polluter Welfare Act of 2020.”.
(c) Credit for Increasing Research Activities.—Section 41(d)(4) of the Internal Revenue Code of 1986 is amended by adding at the end the following:

“(I) Fossil fuel activities.—Any research related to fossil fuel activities (as defined in section 168(k)(11)(B)) which is conducted after the date of the enactment of the End Polluter Welfare Act of 2020.”.

(d) Foreign-Derived Intangible Income.—Subclause (V) of section 250(b)(3)(A)(i) of the Internal Revenue Code of 1986 is amended to read as follows:

“(V) any income derived from fossil fuel activities (as defined in section 168(k)(11)(B)) during any taxable year beginning after the date of the enactment of the End Polluter Welfare Act of 2020, and”.

(e) Exchange of Real Property Held for Productive Use or Investment.—Section 1031(a)(2) of the Internal Revenue Code of 1986 is amended to read as follows:

“(2) Exceptions.—This subsection shall not apply to—

“(A) any exchange of real property held primarily for sale, or
“(B) any exchange of real property which—

“(i) is used for fossil fuel activities (as defined in section 168(k)(11)(B)), and

“(ii) occurs after the date of the enactment of the End Polluter Welfare Act of 2020.”.

SEC. 116. UNIFORM SEVEN-YEAR AMORTIZATION FOR GEOLOGICAL AND GEOPHYSICAL EXPENDITURES.

(a) In General.—Section 167(h) of the Internal Revenue Code of 1986 is amended—

(1) by striking “24-month period” each place it appears in paragraphs (1) and (4) and inserting “84-month period”,

(2) by striking paragraph (2) and inserting the following:

“(2) Mid-month convention.—For purposes of paragraph (1), any payment paid or incurred during any month shall be treated as paid or incurred on the mid-point of such month.”, and

(3) by striking paragraph (5).

(b) Effective Date.—The amendments made by this section shall apply to amounts paid or incurred after the date of the enactment of this Act.
SEC. 117. NATURAL GAS GATHERING LINES TREATED AS 15-YEAR PROPERTY.

(a) In General.—Section 168(e)(3)(E) of the Internal Revenue Code of 1986 is amended by striking “and” at the end of clause (v), by striking the period at the end of clause (vi) and inserting “, and”, and by adding at the end the following new clause:

“(vii) any natural gas gathering line the original use of which commences with the taxpayer after the date of the enactment of this clause.”.

(b) Alternative System.—The table contained in section 168(g)(3)(B) of the Internal Revenue Code of 1986 is amended by inserting after the item relating to subparagraph (E)(vi) the following new item:

“(E)(vii) .................................................................................................. 22”.

(c) Conforming Amendment.—Clause (iv) of section 168(e)(3)(C) of the Internal Revenue Code of 1986 is amended by inserting “and on or before the date of the enactment of the End Polluter Welfare Act of 2020” after “April 11, 2005”.

(d) Effective Date.—

(1) In General.—The amendments made by this section shall apply to property placed in service on and after the date of the enactment of this Act.
(2) EXCEPTION.—The amendments made by this section shall not apply to any property with respect to which the taxpayer or a related party has entered into a binding contract for the construction thereof on or before the date of the introduction of this Act, or, in the case of self-constructed property, has started construction on or before such date.

SEC. 118. TERMINATION OF LAST-IN, FIRST-OUT METHOD OF INVENTORY FOR OIL, NATURAL GAS, AND COAL COMPANIES.

(a) In General.—Section 472 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

“(h) TERMINATION FOR OIL, NATURAL GAS, AND COAL COMPANIES.—Subsection (a) shall not apply to any taxpayer that is in the trade or business of the production, refining, processing, transportation, or distribution of oil, natural gas, or coal for any taxable year beginning after the date of enactment of the End Polluter Welfare Act of 2020.”.

(b) Additional Termination.—Section 473 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

“(h) TERMINATION FOR OIL, NATURAL GAS, AND COAL COMPANIES.—This section shall not apply to any
taxpayer that is in the trade or business of the production, refinement, processing, transportation, or distribution of oil, natural gas, or coal for any taxable year beginning after the date of enactment of the End Polluter Welfare Act of 2020.”.

(c) Change in Method of Accounting.—In the case of any taxpayer required by the amendments made by this section to change its method of accounting for its first taxable year beginning after the date of enactment of this Act—

(1) such change shall be treated as initiated by the taxpayer, and

(2) such change shall be treated as made with the consent of the Secretary of the Treasury.

(d) Effective Date.—The amendments made by this section shall apply to taxable years beginning after the date of enactment of this Act.

SEC. 119. REPEAL OF PERCENTAGE DEPLETION FOR COAL AND HARD MINERAL FOSSIL FUELS.

(a) In General.—Section 613 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

“(f) Termination With Respect to Coal and Hard Mineral Fossil Fuels.—In the case of coal, lignite, and oil shale (other than oil shale described in sub-
section (b)(5)), the allowance for depletion shall be computed without reference to this section for any taxable year beginning after the date of the enactment of the End Polluter Welfare Act of 2020.”.

(b) CONFORMING AMENDMENTS.—

(1) COAL AND LIGNITE.—Section 613(b)(4) of the Internal Revenue Code of 1986 is amended by striking “coal, lignite,”.

(2) OIL SHALE.—Section 613(b)(2) of such Code is amended to read as follows:

“(2) 15 PERCENT.—If, from deposits in the United States, gold, silver, copper, and iron ore.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 120. TERMINATION OF CAPITAL GAINS TREATMENT FOR ROYALTIES FROM COAL.

(a) IN GENERAL.—Subsection (c) of section 631 of the Internal Revenue Code of 1986 is amended—

(1) by striking “coal (including lignite), or iron ore” and inserting “iron ore”,

(2) by striking “coal or iron ore” each place it appears and inserting “iron ore”,

(3) by striking “iron ore or coal” each place it appears and inserting “iron ore”, and
(4) by striking “COAL OR” in the heading.

(b) CONFORMING AMENDMENTS.—

(1) The heading of section 631 of the Internal Revenue Code of 1986 is amended by striking “, COAL,”.

(2) Section 1231(b)(2) of such Code is amended by striking “, coal,”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to dispositions after the date of the enactment of this Act.

SEC. 121. MODIFICATIONS OF FOREIGN TAX CREDIT RULES APPLICABLE TO OIL AND GAS INDUSTRY TAXPAYERS RECEIVING SPECIFIC ECONOMIC BENEFITS.

(a) IN GENERAL.—Section 901 of the Internal Revenue Code of 1986 is amended by redesignating subsection (n) as subsection (o) and by inserting after subsection (m) the following new subsection:

“(n) SPECIAL RULES RELATING TO DUAL CAPACITY TAXPAYERS.—

“(1) GENERAL RULE.—Notwithstanding any other provision of this chapter, any amount paid or accrued to a foreign country or possession of the United States for any period by a dual capacity taxpayer which is in the trade or business of the pro-
duction, refining, processing, transportation, or dis-
tribution of fossil fuel shall not be considered a
tax—

“(A) if, for such period, the foreign coun-
try or possession does not impose a generally
applicable income tax, or

“(B) to the extent such amount exceeds
the amount (determined in accordance with reg-
ulations) which—

“(i) is paid by such dual capacity tax-
payer pursuant to the generally applicable
income tax imposed by the country or pos-
session, or

“(ii) would be paid if no amount other
than the amount required to be paid by
such taxpayer under the generally applica-
tion, imposed by the country or pos-
session were paid or accrued by such
dual capacity taxpayer.

Nothing in this paragraph shall be construed to
imply the proper treatment of any such amount
not in excess of the amount determined under
subparagraph (B).

“(2) Dual capacity taxpayer.—For pur-
poses of this subsection, the term `dual capacity tax-


payer’ means, with respect to any foreign country or possession of the United States, a person who—

“(A) is subject to a levy of such country or possession, and

“(B) receives (or will receive) directly or indirectly a specific economic benefit (as determined in accordance with regulations) from such country or possession.

“(3) **Generally Applicable Income Tax.**—

For purposes of this subsection—

“(A) **In General.**—The term ‘generally applicable income tax’ means an income tax (or a series of income taxes) which is generally imposed under the laws of a foreign country or possession on income derived from the conduct of a trade or business within such country or possession.

“(B) **Exceptions.**—Such term shall not include a tax unless it has substantial application, by its terms and in practice, to—

“(i) persons who are not dual capacity taxpayers, and

“(ii) persons who are—

“(I) citizens or residents of the foreign country or possession, or
“(II) organized or incorporated under the laws of the foreign country or possession.

“(4) FOSSIL FUEL.—For purposes of this sub-section, the term ‘fossil fuel’ means coal, petroleum, natural gas, or any derivative of coal, petroleum, or natural gas that is used for fuel.”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxes paid or accrued in taxable years beginning after the date of the enactment of this Act.

(c) SPECIAL RULE FOR TREATIES.—Notwithstanding sections 894 or 7852(d) of the Internal Revenue Code of 1986, the amendments made by this section shall apply without regard to any treaty obligation of the United States.

SEC. 122. INCREASE IN OIL SPILL LIABILITY TRUST FUND FINANCING RATE.

(a) IN GENERAL.—Section 4611 of the Internal Revenue Code of 1986 is amended—

(1) in subsection (c)(2)(B)—

(A) in clause (i), by striking “and” at the end,

(B) in clause (ii), by striking the period at the end and inserting “, and”, and
(C) by adding at the end the following:

“(iii) in the case of crude oil received or petroleum products entered after December 31, 2020, 10 cents a barrel.”, and

(2) by striking subsection (f) and inserting the following:

“(f) APPLICATION OF OIL SPILL LIABILITY TRUST FUND FINANCING RATE.—The Oil Spill Liability Trust Fund financing rate under subsection (e) shall apply on and after April 1, 2006, or if later, the date which is 30 days after the last day of any calendar quarter for which the Secretary estimates that, as of the close of that quarter, the unobligated balance in the Oil Spill Liability Trust Fund is less than $2,000,000,000.”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to crude oil received and petroleum products entered after the date of the enactment of this Act.

SEC. 123. APPLICATION OF CERTAIN ENVIRONMENTAL TAXES TO SYNTHETIC CRUDE OIL.

(a) IN GENERAL.—Paragraph (1) of section 4612(a) of the Internal Revenue Code of 1986 is amended to read as follows:

“(1) CRUDE OIL.—
“(A) IN GENERAL.—The term ‘crude oil’ includes crude oil condensates, natural gasoline, and synthetic crude oil.

“(B) SYNTHETIC CRUDE OIL.—For purposes of subparagraph (A), the term ‘synthetic crude oil’ means—

“(i) any bitumen and bituminous mixtures,

“(ii) any oil derived from bitumen and bituminous mixtures (including oil derived from tar sands),

“(iii) any liquid fuel derived from coal, and

“(iv) any oil derived from kerogen-bearing sources (including oil derived from oil shale).”.

(b) REGULATORY AUTHORITY TO ADDRESS OTHER TYPES OF CRUDE OIL AND PETROLEUM PRODUCTS.—Subsection (a) of section 4612 of the Internal Revenue Code of 1986 is amended by adding at the end the following:

“(10) REGULATORY AUTHORITY TO ADDRESS OTHER TYPES OF CRUDE OIL AND PETROLEUM PRODUCTS.—Under such regulations as the Secretary may prescribe, the Secretary may include as
crude oil or as a petroleum product subject to tax under section 4611, any fuel feedstock or finished fuel product customarily transported by pipeline, vessel, railcar, or tanker truck if the Secretary determines that—

“(A) the classification of such fuel feedstock or finished fuel product is consistent with the definition of oil under the Oil Pollution Act of 1990, and

“(B) such fuel feedstock or finished fuel product is produced in sufficient commercial quantities as to pose a significant risk of hazard in the event of a discharge.”.

(e) Technical Amendment.—Paragraph (2) of section 4612(a) of the Internal Revenue Code of 1986 is amended by striking “from a well located”.

(d) Effective Date.—The amendments made by this section shall apply to oil and petroleum products received or entered during calendar quarters beginning more than 60 days after the date of the enactment of this Act.

SEC. 124. DENIAL OF DEDUCTION FOR REMOVAL COSTS AND DAMAGES FOR CERTAIN OIL SPILLS.

(a) In General.—Section 162(f) of the Internal Revenue Code of 1986 is amended—
(1) by redesignating paragraph (5) as paragraph (6), and
(2) by inserting after paragraph (4) the following:

“(5) EXPENSES FOR REMOVAL COSTS AND DAMAGES RELATING TO CERTAIN OIL SPILL LIABILITY.—Notwithstanding paragraphs (2) and (3), no deduction shall be allowed under this chapter for any costs or damages for which the taxpayer is liable under section 1002 of the Oil Pollution Act of 1990 (33 U.S.C. 2702)”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to any liability arising in taxable years ending after the date of the enactment of this Act.

SEC. 125. TAX ON CRUDE OIL AND NATURAL GAS PRODUCED FROM THE OUTER CONTINENTAL SHELF IN THE GULF OF MEXICO.

(a) IN GENERAL.—Subtitle E of the Internal Revenue Code of 1986 is amended by adding at the end the following new chapter:
CHAPTER 56—TAX ON SEVERANCE OF
CRUDE OIL AND NATURAL GAS FROM
THE OUTER CONTINENTAL SHELF IN
THE GULF OF MEXICO

Sec. 5901. Imposition of tax.
Sec. 5902. Taxable crude oil or natural gas and removal price.
Sec. 5903. Special rules and definitions.

SEC. 5901. IMPOSITION OF TAX.

“(a) In General.—In addition to any other tax imposed under this title, there is hereby imposed a tax equal to 13 percent of the removal price of any taxable crude oil or natural gas removed from the premises during any taxable period.

“(b) Credit for Federal Royalties Paid.—

“(1) In General.—There shall be allowed as a credit against the tax imposed by subsection (a) with respect to the production of any taxable crude oil or natural gas an amount equal to the aggregate amount of royalties paid under Federal law with respect to such production.

“(2) Limitation.—The aggregate amount of credits allowed under paragraph (1) to any taxpayer for any taxable period shall not exceed the amount of tax imposed by subsection (a) for such taxable period.
“(c) **Tax Paid by Producer.**—The tax imposed by this section shall be paid by the producer of the taxable crude oil or natural gas.

**SEC. 5902. TAXABLE CRUDE OIL OR NATURAL GAS AND REMOVAL PRICE.**

“(a) **Taxable Crude Oil or Natural Gas.**—For purposes of this chapter, the term ‘taxable crude oil or natural gas’ means crude oil or natural gas which is produced from Federal submerged lands on the outer Continental Shelf in the Gulf of Mexico pursuant to a lease entered into with the United States which authorizes the production.

“(b) **Removal Price.**—For purposes of this chapter—

“(1) **In General.**—Except as otherwise provided in this subsection, the term ‘removal price’ means—

“(A) in the case of taxable crude oil, the amount for which a barrel of such crude oil is sold, and

“(B) in the case of taxable natural gas, the amount per 1,000 cubic feet for which such natural gas is sold.

“(2) **Sales between Related Persons.**—In the case of a sale between related persons, the re-
moval price shall not be less than the constructive sales price for purposes of determining gross income from the property under section 613.

“(3) Oil or Natural Gas Removed from Property Before Sale.—If crude oil or natural gas is removed from the property before it is sold, the removal price shall be the constructive sales price for purposes of determining gross income from the property under section 613.

“(4) Refining Begun on Property.—If the manufacture or conversion of crude oil into refined products begins before such oil is removed from the property—

“(A) such oil shall be treated as removed on the day such manufacture or conversion begins, and

“(B) the removal price shall be the constructive sales price for purposes of determining gross income from the property under section 613.

“(5) Property.—The term ‘property’ has the meaning given such term by section 614.

“SEC. 5903. SPECIAL RULES AND DEFINITIONS.

“(a) Administrative Requirements.—
“(1) WITHHOLDING AND DEPOSIT OF TAX.—

The Secretary shall provide for the withholding and deposit of the tax imposed under section 5901 on a quarterly basis.

“(2) RECORDS AND INFORMATION.—Each taxpayer liable for tax under section 5901 shall keep such records, make such returns, and furnish such information (to the Secretary and to other persons having an interest in the taxable crude oil or natural gas) with respect to such oil as the Secretary may by regulations prescribe.

“(3) TAXABLE PERIODS; RETURN OF TAX.—

“(A) TAXABLE PERIOD.—Except as provided by the Secretary, each calendar year shall constitute a taxable period.

“(B) RETURNS.—The Secretary shall provide for the filing, and the time for filing, of the return of the tax imposed under section 5901.

“(b) DEFINITIONS.—For purposes of this chapter—

“(1) PRODUCER.—The term ‘producer’ means the holder of the economic interest with respect to the crude oil or natural gas.

“(2) CRUDE OIL.—The term ‘crude oil’ includes crude oil condensates and natural gasoline.
“(3) PREMISES AND CRUDE OIL PRODUCT.—

The terms ‘premises’ and ‘crude oil product’ have the same meanings as when used for purposes of determining gross income from the property under section 613.

“(c) ADJUSTMENT OF REMOVAL PRICE.—In determining the removal price of oil or natural gas from a property in the case of any transaction, the Secretary may adjust the removal price to reflect clearly the fair market value of oil or natural gas removed.

“(d) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this chapter.”.

(b) DEDUCTIBILITY OF TAX.—The first sentence of section 164(a) of the Internal Revenue Code of 1986 is amended by inserting after paragraph (4) the following new paragraph:

“(5) The tax imposed by section 5901(a) (after application of section 5901(b)) on the severance of crude oil or natural gas from the outer Continental Shelf in the Gulf of Mexico.”.

(e) CLERICAL AMENDMENT.—The table of chapters for subtitle E is amended by adding at the end the following new item:

“CHAPTER 56. Tax on severance of crude oil and natural gas from the outer Continental Shelf in the Gulf of Mexico.”.
(d) Effective Date.—The amendments made by this section shall apply to crude oil or natural gas removed after December 31, 2020.

SEC. 126. REPEAL OF CORPORATE INCOME TAX EXEMPTION FOR PUBLICLY TRADED PARTNERSHIPS WITH QUALIFYING INCOME AND GAINS FROM ACTIVITIES RELATING TO FOSSIL FUELS.

(a) In General.—Section 7704(d)(1) of the Internal Revenue Code of 1986 is amended by inserting “or any coal, petroleum, natural gas, or any derivative of coal, petroleum, or natural gas that is used for fuel” after “section 613(b)(7)”.

(b) Effective Date.—The amendment made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 127. AMORTIZATION OF QUALIFIED TERTIARY INJECTANT EXPENSES.

(a) In General.—Section 193 of the Internal Revenue Code of 1986 is amended—

(1) by striking subsection (a) and inserting the following:

“(a) AMORTIZATION OF QUALIFIED TERTIARY INJECTANT EXPENSES.—

“(1) IN GENERAL.—Any qualified tertiary injectant expenses paid or incurred by the taxpayer
shall be allowed as a deduction ratably over the 84-
month period beginning on the date that such ex-


“(2) MID-MONTH CONVENTION.—For purposes of paragraph (1), any expenses paid or incurred during any month shall be treated as paid or incurred on the mid-point of such month.”, and

(2) by striking subsection (c) and inserting the following:

“(c) EXCLUSIVE METHOD.—Except as provided in this section, no depreciation or amortization deduction shall be allowed with respect to qualified tertiary injectant expenses.”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to expenses paid or incurred in taxable years beginning after the date of the enactment of this Act.

SEC. 128. AMORTIZATION OF DEVELOPMENT EXPENDI-
TURES.

(a) IN GENERAL.—Section 616 of the Internal Rev-


enue Code of 1986 is amended to read as follows:

“SEC. 616. AMORTIZATION OF DEVELOPMENT EXPENDI-
TURES.

“(a) IN GENERAL.—Any expenditures paid or in-
curred for the development of a mine or other natural de-
(other than an oil or gas well) if paid or incurred after the existence of ores or minerals in commercially marketable quantities has been disclosed shall be allowed as a deduction ratably over the 84-month period beginning on the date that such expenditure was paid or incurred.

“(b) MID-MONTH CONVENTION.—For purposes of subsection (a), any expenditures paid or incurred during any month shall be treated as paid or incurred on the midpoint of such month.

“(c) EXCLUSIVE METHOD.—Except as provided in this section, no depreciation or amortization deduction shall be allowed with respect to expenditures described in subsection (a).

“(d) TREATMENT UPON ABANDONMENT.—If any property with respect to which expenditures described in subsection (a) are paid or incurred is retired or abandoned during the 84-month period described in such subsection, no deduction shall be allowed on account of such retirement or abandonment and the amortization deduction under this section shall continue with respect to such payment.”.

(b) CONFORMING AMENDMENTS.—

(1) The item relating to section 616 in the table of sections for part I of subchapter I of chapter 1
of the Internal Revenue Code of 1986 is amended to read as follows:

“Sec. 616. Amortization of development expenditures.”.

(2) Section 56(a)(2)(A) of such Code is amended by striking “616(a) or”.

(3) Section 59(e) of such Code is amended—

(A) in paragraph (2)—

(i) in subparagraph (C), by inserting “or” at the end,

(ii) by striking subparagraph (D), and

(iii) by redesignating subparagraph (E) as subparagraph (D), and

(B) in paragraph (5)(A), by striking “, 616(a),”.

(4) Section 263(a)(1) of such Code is amended by striking subparagraph (A).

(5) Section 263A(e)(3) of such Code is amended by striking “616,,”.

(6) Section 291(b) of such Code is amended—

(A) in paragraph (1)(B), by striking “616(a) or”,

(B) in paragraph (2), by striking “, 616(a),” and

(C) in paragraph (3), by striking “, 616(a),”.

(7) Section 312(n)(2)(B) of such Code is amended by striking “616(a) or”.

(8) Section 381(c) of such Code is amended by striking paragraph (10).

(9) Section 1016(a) of such Code is amended by striking paragraph (9).

(10) Section 1254(a)(1)(A)(i) of such Code is amended by striking “, 616,”.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to expenditures paid or incurred in taxable years beginning after the date of the enactment of this Act.

SEC. 129. AMORTIZATION OF CERTAIN MINING EXPLORATION EXPENDITURES.

(a) IN GENERAL.—Section 617 of the Internal Revenue Code of 1986 is amended to read as follows:

“SEC. 617. AMORTIZATION OF CERTAIN MINING EXPLORATION EXPENDITURES.

“(a) IN GENERAL.—Any expenditures paid or incurred for the purpose of ascertaining the existence, location, extent, or quality of any deposit of ore or other mineral, and paid or incurred before the beginning of the development stage of the mine, shall be allowed as a deduction ratably over the 84-month period beginning on the date that such expense was paid or incurred.
“(b) MID-MONTH CONVENTION.—For purposes of subsection (a), any expenditures paid or incurred during any month shall be treated as paid or incurred on the mid-point of such month.

“(c) EXCLUSIVE METHOD.—Except as provided in this section, no depreciation or amortization deduction shall be allowed with respect to expenditures described in subsection (a).

“(d) TREATMENT UPON ABANDONMENT.—If any property with respect to which expenditures described in subsection (a) are paid or incurred is retired or abandoned during the 84-month period described in such subsection, no deduction shall be allowed on account of such retirement or abandonment and the amortization deduction under this section shall continue with respect to such payment.”.

(b) CONFORMING AMENDMENTS.—

(1) The item relating to section 617 in the table of sections for part I of subchapter I of chapter 1 of the Internal Revenue Code of 1986 is amended to read as follows:

“Sec. 617. Amortization of certain mining exploration expenditures.”.

(2) Section 56(a) of such Code, as amended by section 128(b)(2), is amended by striking paragraph (2).
(3) Section 59(e) of such Code, as amended by section 128(b)(3), is amended—

(A) in paragraph (2)—

(i) in subparagraph (B), by inserting “or” at the end,

(ii) in subparagraph (C), by striking the comma at the end and inserting a period, and

(iii) by striking subparagraph (D),

and

(B) by striking paragraph (5) and inserting the following:

“(5) DISPOSITIONS.—In the case of any disposition of property to which section 1254 applies (determined without regard to this section), any deduction under paragraph (1) with respect to amounts which are allocable to such property shall, for purposes of section 1254, be treated as a deduction allowable under section 263(c).”.

(4) Section 170(e) of such Code is amended—

(A) in paragraph (1), by striking “617(d)(1),”, and

(B) in paragraph (3)(D), by striking “617,”. 
Section 263A(c)(3) of such Code, as amended by section 128(b)(5), is amended by striking “291(b)(2), or 617” and inserting “or 291(b)(2)”.  

Section 291(b) of such Code, as amended by section 128(b)(6), is amended—

(A) in the heading, by striking “AND MINERAL EXPLORATION AND DEVELOPMENT COSTS”;

(B) by striking paragraph (1) and inserting the following:

“(1) IN GENERAL.—In the case of an integrated oil company, the amount allowable as a deduction for any taxable year (determined without regard to this section) under section 263(c) shall be reduced by 30 percent.”.

(C) in paragraph (2), by striking “or 617(a) (as the case may be)” and

(D) in paragraph (3), by striking “or 617(a) (whichever is appropriate)”.

Section 312(n), as amended by section 128(b)(7), is amended by striking paragraph (2) and inserting the following:

“(2) INTANGIBLE DRILLING COSTS.—Any amount allowable as a deduction under section 263(e) in determining taxable income (other than
costs incurred in connection with a nonproductive well)—

“(A) shall be capitalized, and

“(B) shall be allowed as a deduction rata-
ably over the 60-month period beginning with
the month in which such amount was paid or
incurred.”.

(8) Section 703(b) of such Code is amended—

(A) in paragraph (1), by adding “or” at
the end,

(B) by striking paragraph (2), and

(C) by redesignating paragraph (3) as
paragraph (2).

(9) Section 751(c) of such Code is amended—

(A) by inserting “, as in effect on the day
before the date of the enactment of the End
Polluter Welfare Act of 2020” after “section
617(f)(2)”, and

(B) by striking “617(d)(1),”.

(10) Section 1254(a)(1)(A)(i) of such Code, as
amended by section 128(b)(10), is amended by strik-
ing “or 617”.

(11) Paragraph (2) of section 1363(c) of such
Code is amended to read as follows:
“(2) EXCEPTION.—In the case of an S corporation, elections under section 901 (relating to taxes of foreign countries and possessions of the United States) shall be made by each shareholder separately.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to expenditures paid or incurred in taxable years beginning after the date of the enactment of this Act.

SEC. 130. AMORTIZATION OF INTANGIBLE DRILLING AND DEVELOPMENT COSTS IN THE CASE OF OIL AND GAS WELLS AND GEOTHERMAL WELLS.

(a) IN GENERAL.—Subsection (c) of section 263 of the Internal Revenue Code of 1986 is amended to read as follows:

“‘(c) INTANGIBLE DRILLING AND DEVELOPMENT COSTS IN THE CASE OF OIL AND GAS WELLS AND GEOTHERMAL WELLS.—Notwithstanding subsection (a), and except as provided in subsection (i), in the case of any expenses paid or incurred in connection with intangible drilling and development costs related to oil and gas wells and wells drilled for any geothermal deposit (as defined in section 613(e)(2))—
“(1) such expenses shall be allowed as a deduction ratably over the 84-month period beginning on the date that such expense was paid or incurred,

“(2) any such expenses paid or incurred during any month shall be treated as paid or incurred on the mid-point of such month,

“(3) except as provided in this subsection, no depreciation or amortization deduction shall be allowed with respect to such expenses, and

“(4) if any property with respect to which such intangible drilling and development costs are paid or incurred is retired or abandoned during such 84-month period, no deduction shall be allowed on account of such retirement or abandonment and the amortization deduction under this subsection shall continue with respect to such payment.”.

(b) CONFORMING AMENDMENTS.—

(1) Section 57(a)(2)(B)(i) of the Internal Revenue Code of 1986 is amended by striking “263(c) or”.

(2) Section 59(e) of such Code, as amended by sections 128 and 129, is amended—

(A) in paragraph (2)—

(i) in subparagraph (A), by inserting “or” at the end,
(ii) in subparagraph (B), by striking the comma at the end and inserting a period, and

(iii) by striking subparagraph (C), and

(B) by striking paragraph (5).

(3) Section 263A(e)(3) of such Code, as amended by sections 128 and 129, is amended by striking “263(e),”.

(4) Section 291 of such Code, as amended by sections 128 and 129, is amended by striking subsection (b).

(5) Section 312(n) of such Code, as amended by sections 128 and 129, is amended by striking paragraph (2).

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to expenditures paid or incurred in taxable years beginning after the date of the enactment of this Act.

SEC. 131. PERMANENT EXCISE TAX RATE FOR FUNDING OF BLACK LUNG DISABILITY TRUST FUND.

(a) IN GENERAL.—Section 4121 of the Internal Revenue Code of 1986 is amended—

(1) in subsection (b)—
(A) in paragraph (1), by striking “$1.10” and inserting “$1.38”, and
(B) in paragraph (2), by striking “$0.55” and inserting “$0.69”, and
(2) by striking subsection (e).

(b) EFFECTIVE DATE.—The amendments made by this section shall apply on and after the first day of the first calendar month beginning after the date of the enactment of this Act.

SEC. 132. TERMINATION OF RENEWABLE ELECTRICITY PRODUCTION CREDIT ELIGIBILITY FOR REFINED COAL.

Section 45(e)(8)(A)(ii)(II) of the Internal Revenue Code of 1986 is amended by inserting “and before the date of enactment of the End Polluter Welfare Act of 2020” after “such taxable year”.

SEC. 133. TREATMENT OF FOREIGN OIL RELATED INCOME AS SUBPART F INCOME.

(a) IN GENERAL.—Section 954(a) of the Internal Revenue Code of 1986 is amended by striking “and” at the end of paragraph (2), by striking the period at the end of paragraph (3) and inserting “, and”, and by adding at the end the following new paragraph:

“(4) the foreign base company oil related income for the taxable year (determined under sub-
section (g) and reduced as provided in subsection (b)(5)).”.

(b) FOREIGN BASE COMPANY OIL RELATED INCOME.—Section 954 of the Internal Revenue Code of 1986 is amended by inserting after subsection (e) the following new subsection:

“(g) FOREIGN BASE COMPANY OIL RELATED INCOME.—For purposes of this section—

“(1) IN GENERAL.—Except as otherwise provided in this subsection, the term ‘foreign base company oil related income’ means foreign oil related income (within the meaning of paragraphs (2) and (3) of section 907(c)) other than income derived from a source within a foreign country in connection with—

“(A) oil or gas which was extracted from an oil or gas well located in such foreign country, or

“(B) oil, gas, or a primary product of oil or gas which is sold by the foreign corporation or a related person for use or consumption within such country or is loaded in such country on a vessel or aircraft as fuel for such vessel or aircraft.
Such term shall not include any foreign personal holding company income (as defined in subsection (c))

“(2) Paragraph (1) applies only where corporation has produced 1,000 barrels per day or more.—

“(A) In general.—The term ‘foreign base company oil related income’ shall not include any income of a foreign corporation if such corporation is not a large oil producer for the taxable year.

“(B) Large oil producer.—For purposes of subparagraph (A), the term ‘large oil producer’ means any corporation if, for the taxable year or for the preceding taxable year, the average daily production of foreign crude oil and natural gas of the related group which includes such corporation equaled or exceeded 1,000 barrels.

“(C) Related group.—The term ‘related group’ means a group consisting of the foreign corporation and any other person who is a related person with respect to such corporation.

“(D) Average daily production of foreign crude oil and natural gas.—For
purposes of this paragraph, the average daily production of foreign crude oil or natural gas of any related group for any taxable year (and the conversion of cubic feet of natural gas into barrels) shall be determined under rules similar to the rules of section 613A (as in effect on the day before the date of enactment of the End Polluter Welfare Act of 2020) except that only crude oil or natural gas from a well located outside the United States shall be taken into account.”.

(c) Conforming Amendments.—

(1) Section 952(c)(1)(B)(iii) of the Internal Revenue Code of 1986 is amended by redesignating subclauses (I) through (IV) as subclause (II) through (V), respectively, and by inserting before subclause (II) (as so redesignated) the following:

“(I) foreign base company oil-related income,”.

(2) Section 954(b) of such Code is amended—

(A) by inserting at the end of paragraph (4) the following: “The preceding sentence shall not apply to foreign base company oil-related income described in subsection (a)(4).”,
(B) by striking “and the foreign base company services income” in paragraph (5) and inserting “the foreign base company services income, and the foreign base company oil related income”, and

(C) by adding at the end the following new paragraph:

“(6) FOREIGN BASE COMPANY OIL RELATED INCOME NOT TREATED AS ANOTHER KIND OF BASE COMPANY INCOME.—Income of a corporation which is foreign base company oil related income shall not be considered foreign base company income of such corporation under paragraph (2) or (3) of subsection (a).”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years of foreign corporations beginning after the date of the enactment of this Act and to taxable years of United States shareholders ending with or within which such taxable years of foreign corporations end.

SEC. 134. REPEAL OF EXCLUSION OF FOREIGN OIL AND GAS EXTRACTION INCOME FROM THE DETERMINATION OF TESTED INCOME.

(a) IN GENERAL.—Section 951A(c)(2)(A)(i) of the Internal Revenue Code of 1986 is amended—
(1) by adding “and” at the end of subclause (III);

(2) by striking “and” at the end of subclause (IV) and inserting “over”; and

(3) by striking subclause (V).

(b) Effective Date.—The amendments made by this section shall apply to taxable years of foreign corporations beginning after December 31, 2020, and to taxable years of United States shareholders in which or with which such taxable years of foreign corporations end.

SEC. 135. TERMINATION OF CREDIT FOR CARBON OXIDE SEQUESTRATION.

(a) In General.—Section 45Q of the Internal Revenue Code of 1986 is amended by adding at the end the following:

“(i) Termination.—This section shall not apply with respect to any qualified carbon oxide captured after the date of enactment of the End Polluter Welfare Act of 2020.”.

(b) Report.—

(1) In General.—Not later than 6 months after the date of enactment of this Act, the Secretary of the Treasury, or the Secretary’s delegate, shall submit a report to Congress, to be made avail-
able to available to the public, which provides the following information:

(A) The taxpayer identity information of any taxpayer for which the carbon oxide sequestration credit under section 45Q of the Internal Revenue Code of 1986 was allowed for any taxable year following the enactment of such section.

(B) The total amount of the credit allowed pursuant to such section to each taxpayer described in subparagraph (A).

(C) With respect to the amount described in subparagraph (B), the amount of such credit allowed with respect to each of the following:

(i) Qualified carbon oxide which was captured and disposed of by the taxpayer in secure geological storage and not used by the taxpayer as described in clause (ii) or (iii).

(ii) Qualified carbon oxide which was captured and used by the taxpayer as a tertiary injectant in a qualified enhanced oil or natural gas recovery project and disposed of by the taxpayer in secure geological storage.
(iii) Qualified carbon oxide which was
captured and utilized by the taxpayer in a
manner described in section 45Q(f)(5) of
the Internal Revenue Code of 1986.

(2) EXCEPTION FROM RULES REGARDING CON-
FIDENTIALITY AND DISCLOSURE OF RETURNS AND
RETURN INFORMATION.—Section 6103(l) of the In-
ternal Revenue Code of 1986 is amended by adding
at the end the following:

“(23) DISCLOSURE OF RETURN INFORMATION
FOR PUBLIC REPORT ON CARBON OXIDE SEQUES-
TRATION CREDIT.—The Secretary may disclose tax-
payer identity information and return information to
the extent the Secretary deems necessary for pur-
poses of the report issued pursuant to section 135
of the End Polluter Welfare Act of 2020.”.

SEC. 136. POWDER RIVER BASIN.

(a) DESIGNATION OF THE POWDER RIVER BASIN AS
A COAL PRODUCING REGION.—As soon as practicable
after the date of enactment of this Act, the Director of
the Bureau of Land Management shall designate the Pow-
der River Basin as a coal producing region.

(b) REPORT.—Not later than 1 year after the date
of enactment of this Act, the Director of the Bureau of
Land Management shall submit to Congress a report that includes—

(1) a study of the fair market value and the amount and effective rate of royalties paid on coal leases in the Powder River Basin compared to other national and international coal basins and markets; and

(2) any policy recommendations to capture the future market value of the coal leases in the Powder River Basin.

SEC. 137. STUDY AND ELIMINATION OF ADDITIONAL FOSSIL FUEL SUBSIDIES.

(a) Definition of Fossil-Fuel Production Subsidy.—In this section, the term “subsidy for fossil-fuel production” means any direct funding, tax treatment or incentive, risk-reduction benefit, financing assistance or guarantee, royalty relief, or other provision that provides a financial benefit to a fossil-fuel company for the production of fossil fuels.

(b) Report to Congress.—Not later than 1 year after the date of enactment of this Act, the Secretary of the Treasury or the Secretary’s delegate (referred to in this section as the “Secretary”), in coordination with the Secretary of Energy, shall submit to Congress a report detailing each Federal law (including regulations), other
than those amended by this Act, as in effect on the date
on which the report is submitted, that includes a subsidy
for fossil-fuel production.

(c) REPORT ON MODIFIED RECOVERY PERIOD.—

(1) IN GENERAL.—Not later than 1 year after
the date of enactment of this Act, the Secretary, in
coordination with the Commissioner of Internal Rev-

(2) ELIMINATION OF SUBSIDY.—In the case of
any type of property that the Secretary determines
is receiving a subsidy for fossil-fuel production under
such section 168, for property placed in service in
taxable years beginning after the date of such deter-
mination, such section 168 shall not apply. The pre-
ceding sentence shall not apply to any property with
respect to a taxable year unless such determination
is published before the first day of such taxable
year.
TITLE II—ADDITIONAL LIMITATIONS ON CERTAIN FOSSIL-FUEL PRODUCTION SUBSIDIES

SEC. 201. LIMITATION ON CERTAIN FORMS OF ASSISTANCE UNDER THE CARES ACT.

(a) Exclusion of Certain Businesses From Financial Assistance.—

(1) Definition of eligible business.—Section 4002(4)(B) of the CARES Act (Public Law 116–136; 134 Stat. 281) is amended by inserting "(other than a United States business for which not less than 15 percent of the revenue is derived from the extraction, transport, storage, export, or refining of oil, natural gas, and coal)" after "United States business".

(2) Loans and loan guarantees for businesses critical to maintaining national security.—Section 4003(b)(3) of the CARES Act (Public Law 116–136; 134 Stat. 281) is amended by inserting "(other than a United States business for which not less than 15 percent of the revenue is derived from the extraction, transport, storage, export, or refining of oil, natural gas, and coal)" after "national security".
(b) LIMITATION ON ACQUISITION OF FEDERAL LEASES BY LOAN RECIPIENTS.—Section 4003(c)(1) of the CARES Act (Public Law 116–136; 134 Stat. 281) is amended by adding at the end the following:

“(C) LIMITATION ON ACQUISITION OF FEDERAL LEASES BY LOAN RECIPIENTS.—An eligible business that receives a loan or loan guarantee under this section may not bid on, purchase, or acquire any Federal lease or acquire a Federal lease from a third party until the date on which the Secretary certifies that any loans received or guaranteed under this section have been repaid.”.

(e) LIMITATION ON LOANS AND LOAN GUARANTEES TO CERTAIN FINANCIAL INSTITUTIONS.—Section 4003 of the CARES Act (Public Law 116–136; 134 Stat. 281) is amended by adding at the end the following:

“(i) LIMITATION ON LOANS AND LOAN GUARANTEES TO CERTAIN FINANCIAL INSTITUTIONS.—The Secretary shall not make a loan or loan guarantee to, or other investment in, a financial institution under this section for the purpose of assisting any business for which not less than 15 percent of the revenue is derived from the extraction, transport, storage, export, or refining of oil, natural gas, and coal.”.
SEC. 202. LIMITATIONS ON BANKS OPERATING FOSSIL FUEL COMPANIES.

(a) DEFINITIONS.—In this section:

(1) CARES Act.—The term “CARES Act” means the Coronavirus Aid, Relief, and Economic Security Act (Public Law 116–136).

(2) COVERED ENTITY.—The term “covered entity” means—

(A) a solvent insured depository institution or solvent depository institution holding company (including any affiliate thereof) that issues debt that is guaranteed under the program authorized by subsection (h) of section 1105 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, as added by section 4008 of the CARES Act;

(B) any entity issuing loans or extensions of credit described in section 5200(c)(7) of the Revised Statutes, as amended by section 4011 of the CARES Act;

(C) any bank sponsoring a money market mutual fund that benefits from a guarantee as a result of the application of section 4015(a) of the CARES Act;
(D) a qualifying community bank that is subject to interim rule issued under section 4012(b)(1) of the CARES Act; and

(E) an insured depository institution, bank holding company, or any affiliate thereof that does not comply with the current expected credit losses methodology for estimating allowances for credit losses described in section 4014(b) of the CARES Act.

(3) COVERED PERIOD.—The term “covered period” means the period beginning on the date of enactment of this Act and ending on the date that is 2 years after—

(A) with respect to a covered entity described in subparagraph (A) of paragraph (2), the date on which the program described in that subparagraph terminates;

(B) with respect to a covered entity described in subparagraph (B) of paragraph (2), the date on which the period described in section 4011(b) of the CARES Act expires;

(C) with respect to a covered entity described in subparagraph (C) of paragraph (2), the date on which the guarantee described in that subparagraph terminates;
(D) with respect to a covered entity described in subparagraph (D) of paragraph (2), the date on which the period described in section 4012(b)(2) of the CARES Act expires; and

(E) with respect to a covered entity described in subparagraph (E) of paragraph (2), the date on which the period described in section 4014(b) of the CARES Act expires.

(b) Prohibition.—During the covered period, no covered entity, or subsidiary or affiliate of a covered entity, may take a new equity stake or otherwise own or operate, or sponsor or retain an ownership interest in any fund that takes an ownership stake in during the covered period, any business for which 15 percent or more of the revenue is derived from the extraction, transport, storage, export, and refining of oil, natural gas, and coal.

SEC. 203. MORATORIUM ON OIL AND NATURAL GAS LEASE SALES, NONCOMPETITIVE LEASES FOR OIL OR NATURAL GAS, THE ISSUANCE OF COAL LEASES, AND MODIFICATIONS TO CERTAIN REGULATIONS.

Notwithstanding any other provision of law, during the period beginning on the date of enactment of this Act and ending on the termination date of the national emergency declared by the President under the National Emer-
gencies Act (50 U.S.C. 1601 et seq.) with respect to the Coronavirus Disease 2019 (COVID–19), the Secretary of the Interior shall not—

(1) conduct any lease sales for oil or natural gas;

(2) issue any noncompetitive leases for oil or natural gas;

(3) issue any coal leases; or

(4) modify any regulations relating to oil, natural gas, or coal.

SEC. 204. STRATEGIC PETROLEUM RESERVE.

(a) MAXIMUM STORAGE CAPACITY.—

(1) IN GENERAL.—Section 154(a) of the Energy Policy and Conservation Act (42 U.S.C. 6234(a)) is amended by striking “1 billion barrels” and inserting “714,500,000 barrels”.

(2) CONFORMING AMENDMENTS.—

(A) Section 301(e) of the Energy Policy Act of 2005 (42 U.S.C. 6240 note; Public Law 109–58) is amended by striking paragraph (1).

(B) Section 159 of the Energy Policy and Conservation Act (42 U.S.C. 6239) is amended by striking subsection (j).

(b) DEVELOPMENT, OPERATION, AND MAINTENANCE OF RESERVE.—Section 159 of the Energy Policy and Con-
servation Act (42 U.S.C. 6239) (as amended by subsection (a)(2)(B)) is amended—

(1) by redesignating subsections (f), (g), (k), and (l) as subsections (a), (b), (c), and (d), respectively; and

(2) by inserting after subsection (d) (as so redesignated) the following:

“(e) Prohibition of Storage of Petroleum Products Not Owned by the United States.—The Secretary may not store in a storage or related facility of the Strategic Petroleum Reserve owned by or leased to the United States any petroleum products that are not owned by the United States.”.

(e) Repeal of Royalty-in-Kind Provision.—Title I of The Department of the Interior, Environment, and Related Agencies Appropriations Act, 2006 (Public Law 109–54; 119 Stat. 512), is amended in the matter under the heading “ROYALTY AND OFFSHORE MINERALS MANAGEMENT” under the heading “MINERALS MANAGEMENT SERVICE” under the heading “DEPARTMENT OF THE INTERIOR” by striking the fifth proviso (30 U.S.C. 1758).
SEC. 205. LIMITATION ON AVAILABILITY OF FUNDS UNDER THE DEFENSE PRODUCTION ACT OF 1950.

A fossil fuel company shall not be eligible for financial assistance made available in connection with the national emergency declared by the President under the National Emergencies Act (50 U.S.C. 1601 et seq.) with respect to the Coronavirus Disease 2019 (COVID–19) under title III of the Defense Production Act of 1950 (50 U.S.C. 4531 et seq.), including through a loan guarantee, loan, direct investment, or price guarantee under that title.

SEC. 206. REPEAL OF ROYALTY RELIEF PROVISIONS.

(a) REPEAL.—Section 39 of the Mineral Leasing Act (30 U.S.C. 209) is repealed.

(b) CONFORMING AMENDMENTS.—

(1) Section 8721(b) of title 10, United States Code, is amended by striking “202-209” and inserting “202-208”.

(2) Section 8735(a) of title 10, United States Code, is amended by striking “202-209” and inserting “202-208”.

(3) Section 31(h) of the Mineral Leasing Act (30 U.S.C. 188(h)) is amended by striking “and the provisions of section 39 of this Act”.
SEC. 207. EXTENSION OF PUBLIC COMMENT PERIODS AND
SUSPENSION OF RULEMAKING.

(a) Extension of Public Comment Periods.—Notwithstanding any other provision of law, the heads of Federal agencies shall keep open any public comment period that was open as of March 13, 2020, during the period beginning on the date of enactment of this Act and ending on a date, as designated by the head of the applicable Federal agency, that is not earlier than 30 days after the date on which the National Emergency declared by the President under the National Emergencies Act (50 U.S.C. 1601 et seq.) with respect to the Coronavirus Disease 2019 (COVID–19) is terminated.

(b) Suspension of Rulemaking.—Notwithstanding any other provision of law, unless the head of a Federal agency determines that a rulemaking is specifically required to respond to, or recover from, the Coronavirus Disease 2019 (COVID–19) pandemic, the head of a Federal agency shall not initiate any new administrative rulemaking during the period beginning on the date of enactment of this Act and ending on a date, as designated by the head of the applicable Federal agency, that is not earlier than the date 30 days after the date on which the National Emergency declared by the President under the National Emergencies Act (50 U.S.C.
1 1601 et seq.) with respect to the Coronavirus Disease 2019 (COVID–19) is terminated.