

118TH CONGRESS
2D SESSION

S.

To eliminate certain subsidies for fossil-fuel production.

IN THE SENATE OF THE UNITED STATES

_____ introduced the following bill; which was read twice
and 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 2024”.

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 FOSSIL FUEL SUBSIDIES

Sec. 101. Definition of fossil fuel.
Sec. 102. Royalty relief.
Sec. 103. Royalties under Mineral Leasing Act.
Sec. 104. Offshore oil and gas royalty rate.
Sec. 105. Elimination of interest payments for royalty overpayments.

- Sec. 106. Removal of limits on liability for offshore facilities and pipeline operators.
- Sec. 107. Restrictions on use of appropriated funds by international financial institutions for projects that support fossil fuel.
- Sec. 108. Office of Fossil Energy and Carbon Management.
- Sec. 109. Loan Programs Office of the Department of Energy.
- Sec. 110. USDA assistance for carbon capture and storage systems.
- Sec. 111. Advanced Research Projects Agency—Energy.
- Sec. 112. Incentives for innovative technologies.
- Sec. 113. Rural Utility Service loan guarantees.
- Sec. 114. 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.
- Sec. 115. Transportation funds for grants, loans, loan guarantees, and other direct assistance.
- Sec. 116. Elimination of exclusion of certain lenders as owners or operators under CERCLA.
- Sec. 117. Powder River Basin.

TITLE II—AMENDMENTS TO INTERNAL REVENUE CODE OF 1986

- Sec. 201. Termination of various tax expenditures relating to fossil fuels.
- Sec. 202. Termination of certain deductions and credits related to fossil fuels.
- Sec. 203. Uniform seven-year amortization for geological and geophysical expenditures.
- Sec. 204. Natural gas gathering lines treated as 15-year property.
- Sec. 205. Termination of last-in, first-out method of inventory for oil, natural gas, and coal companies.
- Sec. 206. Repeal of percentage depletion for coal and hard mineral fossil fuels.
- Sec. 207. Termination of capital gains treatment for royalties from coal.
- Sec. 208. Modifications of foreign tax credit rules applicable to oil and gas industry taxpayers receiving specific economic benefits.
- Sec. 209. Increase in oil spill liability trust fund financing rate.
- Sec. 210. Application of certain environmental taxes to synthetic crude oil.
- Sec. 211. Denial of deduction for removal costs and damages for certain oil spills.
- Sec. 212. Tax on crude oil and natural gas produced from the outer Continental Shelf in the Gulf of Mexico.
- Sec. 213. Repeal of corporate income tax exemption for publicly traded partnerships with qualifying income and gains from activities relating to fossil fuels.
- Sec. 214. Amortization of qualified tertiary injectant expenses.
- Sec. 215. Amortization of development expenditures.
- Sec. 216. Amortization of certain mining exploration expenditures.
- Sec. 217. Amortization of intangible drilling and development costs in the case of oil and gas wells.
- Sec. 218. Increase in excise tax rate for funding of Black Lung Disability Trust Fund.
- Sec. 219. Elimination of renewable electricity production credit eligibility for refined coal.
- Sec. 220. Treatment of foreign oil related income as subpart F income.
- Sec. 221. Repeal of exclusion of foreign oil and gas extraction income from the determination of tested income.
- Sec. 222. Termination of credit for carbon oxide sequestration.

Sec. 223. Eliminate drawbacks on petroleum taxes.

Sec. 224. Modifying clean hydrogen production credit.

TITLE III—REPEAL RECENT FOSSIL FUEL SUBSIDY LEGISLATION

Sec. 301. Fiscal Responsibility Act.

Sec. 302. Inflation Reduction Act.

TITLE IV—ELIMINATION OF OTHER FOSSIL FUEL SUBSIDIES

Sec. 401. Study and elimination of additional fossil fuel subsidies.

1 **TITLE I—ELIMINATION OF** 2 **FOSSIL FUEL SUBSIDIES**

3 **SEC. 101. DEFINITION OF FOSSIL FUEL.**

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

7 **SEC. 102. ROYALTY RELIEF.**

8 (a) IN GENERAL.—

9 (1) OUTER CONTINENTAL SHELF LANDS ACT.—
10 Section 8(a)(3) of the Outer Continental Shelf
11 Lands Act (43 U.S.C. 1337(a)(3)) is amended—
12 (A) by striking subparagraph (B); and
13 (B) by redesignating subparagraph (C) as
14 subparagraph (B).

15 (2) ENERGY POLICY ACT OF 2005.—

16 (A) INCENTIVES FOR NATURAL GAS PRO-
17 DUCTION FROM DEEP WELLS IN THE SHALLOW
18 WATERS OF THE GULF OF MEXICO.—Section
19 344 of the Energy Policy Act of 2005 (42
20 U.S.C. 15904) is repealed.

1 (B) DEEP WATER PRODUCTION.—Section
2 345 of the Energy Policy Act of 2005 (42
3 U.S.C. 15905) is repealed.

13 SEC. 103. ROYALTIES UNDER MINERAL LEASING ACT.

14 (a) COAL LEASES.—Section 7(a) of the Mineral
15 Leasing Act (30 U.S.C. 207(a)) is amended in the fourth
16 sentence by striking “12½ per centum” and inserting
17 “18¾ percent”.

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

23 (c) LEASES ON LAND KNOWN OR BELIEVED TO
24 CONTAIN OIL OR NATURAL GAS.—Section 17 of the Min-
25 eral Leasing Act (30 U.S.C. 226) is amended—

1 (1) in subsection (b)—

2 (A) in paragraph (1)(A), in the fifth sen-
3 tence, by striking “16 $\frac{2}{3}$ percent” each place it
4 appears and inserting “18 $\frac{3}{4}$ percent”; and

14 SEC. 104. OFFSHORE OIL AND GAS ROYALTY RATE.

15 Section 8(a)(1) of the Outer Continental Shelf Lands
16 Act (43 U.S.C. 1337(a)(1)) is amended by striking “but
17 not more than 18^{3/4} percent, during the 10-year period
18 beginning on the date of enactment of the Act titled ‘An
19 Act to provide for reconciliation pursuant to title II of S.
20 Con. Res. 14’, and not less than 16^{2/3} percent thereafter,”
21 each place it appears.

1 **SEC. 105. ELIMINATION OF INTEREST PAYMENTS FOR ROY-**2 **ALTY OVERPAYMENTS.**

3 Section 111 of the Federal Oil and Gas Royalty Man-
4 agement Act of 1982 (30 U.S.C. 1721) is amended by
5 adding at the end the following:

6 “(k) PAYMENT OF INTEREST.—Interest shall not be
7 paid on any overpayment.”.

8 **SEC. 106. REMOVAL OF LIMITS ON LIABILITY FOR OFF-**9 **SHORE FACILITIES AND PIPELINE OPERA-**
10 **TORS.**

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

13 (1) in paragraph (3), by striking “plus
14 \$75,000,000; and” and inserting “and the liability
15 of the responsible party under section 1002;”;

16 (2) in paragraph (4)—

17 (A) by inserting “(except an onshore pipe-
18 line transporting diluted bitumen, bituminous
19 mixtures, or any oil manufactured from bitu-
20 men)” after “for any onshore facility”; and

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

23 (3) by adding at the end the following:

24 “(5) for any onshore facility transporting di-
25 luted bitumen, bituminous mixtures, or any oil man-

1 ufactured from bitumen, the liability of the respon-
2 sible party under section 1002.”.

3 **SEC. 107. RESTRICTIONS ON USE OF APPROPRIATED**
4 **FUNDS BY INTERNATIONAL FINANCIAL INSTI-**
5 **TUTIONS FOR PROJECTS THAT SUPPORT**
6 **FOSSIL FUEL.**

7 (a) DEFINITION OF INTERNATIONAL FINANCIAL IN-
8 STITUTION.—In this section, the term “international fi-
9 nancial institution” means—

10 (1) each institution described in section
11 1701(c)(2) of the International Financial Institu-
12 tions Act (22 U.S.C. 262r(c)(2)); and

13 (2) the North American Development Bank.

14 (b) RESCISSION OF UNOBLIGATED FUNDS.—

15 (1) IN GENERAL.—Of the unobligated balance
16 of amounts appropriated or otherwise made available
17 for a contribution of the United States to an inter-
18 national financial institution, an amount specified in
19 paragraph (2) shall be rescinded if the institution
20 provides support for a project that supports the pro-
21 duction or use of fossil fuels.

22 (2) AMOUNT SPECIFIED.—The amount specified
23 in this paragraph is an amount the Secretary of the
24 Treasury determines to be equivalent to the amount
25 of support provided by an international financial in-

1 stitution described in paragraph (1) for a project
2 that supports the production or use of fossil fuels.

3 (c) PROHIBITION ON USE OF FUTURE FUNDS.—No
4 amounts appropriated or otherwise made available for a
5 contribution of the United States to an international fi-
6 nancial institution may be provided to the institution un-
7 less the institution agrees to not use the amount to provide
8 support for any project that supports the production or
9 use of fossil fuels.

10 **SEC. 108. OFFICE OF FOSSIL ENERGY AND CARBON MAN-
11 AGEMENT.**

12 (a) TERMINATION OF AUTHORITY.—Notwithstanding
13 any other provision of law, the authority of the Secretary
14 of Energy to carry out the Office of Fossil Energy and
15 Carbon Management of the Department of Energy is ter-
16 minated.

17 (b) RESCISSION.—Notwithstanding any other provi-
18 sion of law—

19 (1) all amounts made available for the Office of
20 Fossil Energy and Carbon Management that remain
21 unobligated as of the date of enactment of this Act
22 are rescinded; and

23 (2) no amounts made available after the date of
24 enactment of this Act for the Office of Fossil En-
25 ergy and Carbon Management shall be expended,

1 other than such amounts as are necessary to cover
2 costs incurred in terminating ongoing research of
3 the Office of Fossil Energy and Carbon Manage-
4 ment, as determined by the Secretary of Energy, in
5 consultation with other appropriate Federal agen-
6 cies.

7 **SEC. 109. LOAN PROGRAMS OFFICE OF THE DEPARTMENT**

8 **OF ENERGY .**

9 (a) PROHIBITION.—Subject to subsection (b), none of
10 the funds made available to the Loan Programs Office of
11 the Department of Energy shall be used to carry out any
12 project that supports fossil fuel, carbon capture, or hydro-
13 gen.

14 (b) EXCEPTION.—The prohibition on the use of funds
15 for hydrogen projects under subsection (a) does not apply
16 to projects that support qualified clean hydrogen (as de-
17 fined in section 45V(c) of the Internal Revenue Code of
18 1986 (as amended by section 224(a)(3))).

19 **SEC. 110. USDA ASSISTANCE FOR CARBON CAPTURE AND**

20 **STORAGE SYSTEMS.**

21 Section 9003(j)(1) of the Farm Security and Rural
22 Investment Act of 2002 (7 U.S.C. 8103(j)(1)) is amend-
23 ed—

24 (1) by inserting “and” after “renewable energy
25 systems,”; and

(2) by striking “and carbon capture and storage systems.”

3 SEC. 111. ADVANCED RESEARCH PROJECTS AGENCY—EN-
4 ERGY.

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

8 SEC. 112. INCENTIVES FOR INNOVATIVE TECHNOLOGIES.

9 (a) IN GENERAL.—Section 1703 of the Energy Policy
10 Act of 2005 (42 U.S.C. 16513) is amended—

11 (1) in subsection (b)—

12 (A) by striking paragraphs (2) and (10);
13 and

14 (B) by redesignating paragraphs (3), (4),
15 (5), (6), (7), (8), (9), (11), (12), and (13) as
16 paragraphs (2), (3), (4), (5), (6), (7), (8), (9),
17 (10), and (11) respectively;

18 (2) by striking subsection (c); and

19 (3) by redesignating subsections (d) through (f)
20 as subsections (c) through (e), respectively.

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

24 (1) by striking subsection (b); and

1 (2) by redesignating subsection (c) as sub-
2 section (b).

3 SEC. 113. RURAL UTILITY SERVICE LOAN GUARANTEES.

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

9 SEC. 114. PROHIBITION ON USE OF FUNDS BY THE UNITED

10 STATES INTERNATIONAL DEVELOPMENT FINANCING 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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16 Notwithstanding any other provision of law, no
17 amounts appropriated or otherwise made available for the
18 United States International Development Finance Cor-
19 poration, the Export-Import Bank of the United States,
20 the United States Trade and Development Agency, the
21 United States Agency for International Development, or
22 the Millennium Challenge Corporation that are available
23 for obligation on or after the date of enactment of this
24 Act may be obligated or expended to support any project,

- 1 transaction, or other activity that supports the production
- 2 or use of fossil fuels.

3 SEC. 115. TRANSPORTATION FUNDS FOR GRANTS, LOANS,
4 LOAN GUARANTEES, AND OTHER DIRECT AS-
5 SISTANCE.

6 Notwithstanding any other provision of law, any
7 amounts made available to the Department of Transpor-
8 tation (including the Federal Railroad Administration)
9 may not be used to award any grant, loan, loan guarantee,
10 or provide any other direct assistance to any rail facility
11 or port project that transports fossil fuel.

15 Section 101(20)(F) of the Comprehensive Environ-
16 mental Response, Compensation, and Liability Act of
17 1980 (42 U.S.C. 9601(20)(F)) is amended by adding at
18 the end the following:

14 SEC. 117. POWDER RIVER BASIN.

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

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

24 (1) a study of the fair market value and the
25 amount and effective rate of royalties paid on coal

1 leases in the Powder River Basin compared to other
2 national and international coal basins and markets;
3 and

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

7 **TITLE II—AMENDMENTS TO IN-**
8 **TERNAL REVENUE CODE OF**
9 **1986**

10 **SEC. 201. TERMINATION OF VARIOUS TAX EXPENDITURES**
11 **RELATING TO FOSSIL FUELS.**

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

15 **“SEC. 7875. TERMINATION OF CERTAIN PROVISIONS RELAT-**
16 **ING TO FOSSIL-FUEL INCENTIVES.**

17 “(a) IN GENERAL.—The following provisions shall
18 not apply to taxable years beginning after the date of the
19 enactment of the End Polluter Welfare Act of 2024:

20 “(1) Section 43 (relating to enhanced oil recov-
21 ery credit).

22 “(2) Section 45I (relating to credit for pro-
23 ducing oil and natural gas from marginal wells).

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

1 “(4) Section 469(c)(3)(A) (relating to working
2 interests in oil and natural gas property).

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

6 “(b) PROVISIONS RELATING TO PROPERTY.—The
7 following provisions shall not apply to property placed in
8 service after the date of the enactment of the End Polluter
9 Welfare Act of 2024:

10 “(1) Section 168(e)(3)(C)(iii) (relating to clas-
11 sification of certain property).

12 “(2) Section 169 (relating to amortization of
13 pollution control facilities) with respect to any at-
14 mospheric pollution control facility.

15 “(c) PROVISIONS RELATING TO COSTS AND EX-
16 PENSES.—The following provisions shall not apply to costs
17 or expenses paid or incurred after the date of the enact-
18 ment of the End Polluter Welfare Act of 2024:

19 “(1) Section 179B (relating to deduction for
20 capital costs incurred in complying with Environ-
21 mental Protection Agency sulfur regulations).

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

1 “(d) ALLOCATED CREDITS.—No new credits shall be
2 certified under section 48A (relating to qualifying ad-
3 vanced coal project credit) after the date of the enactment
4 of the End Polluter Welfare Act of 2024.

5 “(e) ARBITRAGE BONDS.—Section 148(b)(4) (relat-
6 ing to safe harbor for prepaid natural gas) shall not apply
7 to obligations issued after the date of the enactment of
8 the End Polluter Welfare Act of 2024.”.

9 (b) CONFORMING AMENDMENTS.—

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

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

“Sec. 7875. Termination of certain provisions relating to fossil-fuel incentives.”.

17 **SEC. 202. TERMINATION OF CERTAIN DEDUCTIONS AND**
18 **CREDITS RELATED TO FOSSIL FUELS.**

19 (a) SPECIAL ALLOWANCE FOR CERTAIN PROP-
20 ERTY.—Section 168(k) of the Internal Revenue Code of
21 1986 is amended by adding at the end the following:

22 “(11) FOSSIL FUEL PROPERTY.—

23 “(A) IN GENERAL.—This subsection shall
24 not apply with respect to any property which is
25 primarily used for fossil fuel activities and is

1 placed in service during any taxable year begin-
2 ning after the date of the enactment of the End
3 Polluter Welfare Act of 2024.

4 “(B) FOSSIL FUEL ACTIVITIES.—For pur-
5 poses of this paragraph, the term ‘fossil fuel ac-
6 tivities’ means the exploration, development,
7 mining or production, processing, refining,
8 transportation (including pipelines transporting
9 gas, oil, or products thereof), distribution, or
10 marketing of coal, petroleum, natural gas, or
11 any derivative of coal, petroleum, or natural gas
12 that is used for fuel.

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

18 (b) QUALIFIED BUSINESS INCOME.—Section
19 199A(e)(3)(B) of the Internal Revenue Code of 1986 is
20 amended by adding at the end the following:

21 “(viii) Any item of gain or loss de-
22 rived from fossil fuel activities (as defined
23 in section 168(k)(11)(B)) during any tax-
24 able year beginning after the date of the

1 enactment of the End Polluter Welfare Act
2 of 2024.”.

3 (c) CREDIT FOR INCREASING RESEARCH ACTIVI-
4 TIES.—Section 41(d)(4) of the Internal Revenue Code of
5 1986 is amended by adding at the end the following:

6 “(I) FOSSIL FUEL ACTIVITIES.—Any re-
7 search related to fossil fuel activities (as defined
8 in section 168(k)(11)(B)) which is conducted
9 after the date of the enactment of the End Pol-
10 luter Welfare Act of 2024.”.

11 (d) FOREIGN-DERIVED INTANGIBLE INCOME.—Sub-
12 clause (V) of section 250(b)(3)(A)(i) of the Internal Rev-
13 enue Code of 1986 is amended to read as follows:

14 “(V) any income derived from
15 fossil fuel activities (as defined in sec-
16 tion 168(k)(11)(B)) during any tax-
17 able year beginning after the date of
18 the enactment of the End Polluter
19 Welfare Act of 2024, and”.

20 (e) EXCHANGE OF REAL PROPERTY HELD FOR PRO-
21 DUCTIVE USE OR INVESTMENT.—Section 1031(a)(2) of
22 the Internal Revenue Code of 1986 is amended to read
23 as follows:

24 “(2) EXCEPTIONS.—This subsection shall not
25 apply to—

1 “(A) any exchange of real property held
2 primarily for sale, or

3 “(B) any exchange of real property
4 which—

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

7 “(ii) occurs after the date of the en-
8 actment of the End Polluter Welfare Act
9 of 2024.”.

10 **SEC. 203. UNIFORM SEVEN-YEAR AMORTIZATION FOR GEO-
11 LOGICAL AND GEOPHYSICAL EXPENDITURES.**

12 (a) IN GENERAL.—Section 167(h) of the Internal
13 Revenue Code of 1986 is amended—

14 (1) by striking “24-month period” each place it
15 appears in paragraphs (1) and (4) and inserting
16 “84-month period”,

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

19 “(2) MID-MONTH CONVENTION.—For purposes
20 of paragraph (1), any payment paid or incurred dur-
21 ing any month shall be treated as paid or incurred
22 on the mid-point of such month.”, and

23 (3) by striking paragraph (5).

1 (b) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to amounts paid or incurred after
3 the date of the enactment of this Act.

4 **SEC. 204. NATURAL GAS GATHERING LINES TREATED AS 15-**

5 **YEAR PROPERTY.**

6 (a) IN GENERAL.—Section 168(e)(3)(E) of the Inter-
7 nal Revenue Code of 1986 is amended by striking “and”
8 at the end of clause (vi), by striking the period at the end
9 of clause (vii) and inserting “, and”, and by adding at
10 the end the following new clause:

11 “(viii) any natural gas gathering line
12 the original use of which commences with
13 the taxpayer after the date of the enact-
14 ment of this clause.”.

15 (b) ALTERNATIVE SYSTEM.—The table contained in
16 section 168(g)(3)(B) of the Internal Revenue Code of
17 1986 is amended by inserting after the item relating to
18 subparagraph (E)(vii) the following new item:

“(E)(viii) 22”.

19 (c) CONFORMING AMENDMENT.—Clause (iv) of sec-
20 tion 168(e)(3)(C) of the Internal Revenue Code of 1986
21 is amended by inserting “and on or before the date of the
22 enactment of the End Polluter Welfare Act of 2024” after
23 “April 11, 2005”.

24 (d) EFFECTIVE DATE.—

11 SEC. 205. TERMINATION OF LAST-IN, FIRST-OUT METHOD
12 OF INVENTORY FOR OIL, NATURAL GAS, AND
13 COAL COMPANIES.

14 (a) IN GENERAL.—Section 472 of the Internal Rev-
15 enue Code of 1986 is amended by adding at the end the
16 following new subsection:

17 “(h) TERMINATION FOR OIL, NATURAL GAS, AND
18 COAL COMPANIES.—Subsection (a) shall not apply to any
19 taxpayer that is in the trade or business of the production,
20 refining, processing, transportation, or distribution of oil,
21 natural gas, or coal for any taxable year beginning after
22 the date of enactment of the End Polluter Welfare Act
23 of 2024.”.

1 (b) ADDITIONAL TERMINATION.—Section 473 of the
2 Internal Revenue Code of 1986 is amended by adding at
3 the end the following new subsection:

4 “(h) TERMINATION FOR OIL, NATURAL GAS, AND
5 COAL COMPANIES.—This section shall not apply to any
6 taxpayer that is in the trade or business of the production,
7 refining, processing, transportation, or distribution of oil,
8 natural gas, or coal for any taxable year beginning after
9 the date of enactment of the End Polluter Welfare Act
10 of 2024.”.

11 (c) CHANGE IN METHOD OF ACCOUNTING.—In the
12 case of any taxpayer required by the amendments made
13 by this section to change its method of accounting for its
14 first taxable year beginning after the date of enactment
15 of this Act—

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

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

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

1 **SEC. 206. REPEAL OF PERCENTAGE DEPLETION FOR COAL**2 **AND HARD MINERAL FOSSIL FUELS.**

3 (a) IN GENERAL.—Section 613 of the Internal Rev-
4 enue Code of 1986 is amended by adding at the end the
5 following new subsection:

6 “(f) TERMINATION WITH RESPECT TO COAL AND
7 HARD MINERAL FOSSIL FUELS.—In the case of coal, lign-
8 nite, and oil shale (other than oil shale described in sub-
9 section (b)(5)), the allowance for depletion shall be com-
10 puted without reference to this section for any taxable
11 year beginning after the date of the enactment of the End
12 Polluter Welfare Act of 2024.”.

13 (b) CONFORMING AMENDMENTS.—

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

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

19 “(2) 15 PERCENT.—If, from deposits in the
20 United States, gold, silver, copper, and iron ore.”.

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

1 **SEC. 207. TERMINATION OF CAPITAL GAINS TREATMENT**2 **FOR ROYALTIES FROM COAL.**

3 (a) IN GENERAL.—Subsection (c) of section 631 of

4 the Internal Revenue Code of 1986 is amended—

5 (1) by striking “coal (including lignite), or iron
6 ore” and inserting “iron ore”,7 (2) by striking “coal or iron ore” each place it
8 appears and inserting “iron ore”,9 (3) by striking “iron ore or coal” each place it
10 appears and inserting “iron ore”, and

11 (4) by striking “COAL OR” in the heading.

12 (b) CONFORMING AMENDMENTS.—

13 (1) The heading of section 631 of the Internal
14 Revenue Code of 1986 is amended by striking “,
15 **COAL,**”.16 (2) Section 1231(b)(2) of such Code is amend-
17 ed by striking “, coal.”.18 (c) EFFECTIVE DATE.—The amendments made by
19 this section shall apply to dispositions after the date of
20 the enactment of this Act.21 **SEC. 208. MODIFICATIONS OF FOREIGN TAX CREDIT RULES**22 **APPLICABLE TO OIL AND GAS INDUSTRY TAX-**23 **PAYERS RECEIVING SPECIFIC ECONOMIC
24 BENEFITS.**25 (a) IN GENERAL.—Section 901 of the Internal Rev-
26 enue Code of 1986 is amended by redesignating subsection

- 1 (n) as subsection (o) and by inserting after subsection (m)
- 2 the following new subsection:

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

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

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

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

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

23 “(ii) would be paid if no amount other
24 than the amount required to be paid by
25 such taxpayer under the generally applica-

1 ble income tax imposed by the country or
2 possession were paid or accrued by such
3 dual capacity taxpayer.

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

8 “(2) DUAL CAPACITY TAXPAYER.—For pur-
9 poses of this subsection, the term ‘dual capacity tax-
10 payer’ means, with respect to any foreign country or
11 possession of the United States, a person who—

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

14 “(B) receives (or will receive) directly or
15 indirectly a specific economic benefit (as deter-
16 mined in accordance with regulations) from
17 such country or possession.

18 “(3) GENERALLY APPLICABLE INCOME TAX.—
19 For purposes of this subsection—

20 “(A) IN GENERAL.—The term ‘generally
21 applicable income tax’ means an income tax (or
22 a series of income taxes) which is generally im-
23 posed under the laws of a foreign country or
24 possession on income derived from the conduct

1 of a trade or business within such country or
2 possession.

3 “(B) EXCEPTIONS.—Such term shall not
4 include a tax unless it has substantial applica-
5 tion, by its terms and in practice, to—

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

8 “(ii) persons who are—

9 “(I) citizens or residents of the
10 foreign country or possession, or

11 “(II) organized or incorporated
12 under the laws of the foreign country
13 or possession.

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

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

22 (c) SPECIAL RULE FOR TREATIES.—Notwith-
23 standing sections 894 or 7852(d) of the Internal Revenue
24 Code of 1986, the amendments made by this section shall

1 apply without regard to any treaty obligation of the
2 United States.

3 **SEC. 209. INCREASE IN OIL SPILL LIABILITY TRUST FUND**

4 **FINANCING RATE.**

5 (a) IN GENERAL.—Section 4611 of the Internal Rev-
6 enue Code of 1986 is amended—

7 (1) in subsection (c)(2)(B)—

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

10 (B) in clause (ii), by striking the period at
11 the end and inserting “, and”, and

12 (C) by adding at the end the following:

13 “(iii) in the case of crude oil received
14 or petroleum products entered after De-
15 cember 31, 2024, 10 cents a barrel.”, and

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

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

1 (b) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to crude oil received and petroleum
3 products entered after December 31, 2024.

4 **SEC. 210. APPLICATION OF CERTAIN ENVIRONMENTAL**
5 **TAXES TO SYNTHETIC CRUDE OIL.**

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

9 “(1) CRUDE OIL.—

10 “(A) IN GENERAL.—The term ‘crude oil’
11 includes crude oil condensates, natural gasoline,
12 and synthetic crude oil.

13 “(B) SYNTHETIC CRUDE OIL.—For pur-
14 poses of subparagraph (A), the term ‘synthetic
15 crude oil’ means—

16 “(i) any bitumen and bituminous mix-
17 tures,

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

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

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

1 (b) REGULATORY AUTHORITY TO ADDRESS OTHER
2 TYPES OF CRUDE OIL AND PETROLEUM PRODUCTS.—
3 Subsection (a) of section 4612 of the Internal Revenue
4 Code of 1986 is amended by adding at the end the fol-
5 lowing:

6 “(10) REGULATORY AUTHORITY TO ADDRESS
7 OTHER TYPES OF CRUDE OIL AND PETROLEUM
8 PRODUCTS.—Under such regulations as the Sec-
9 retary may prescribe, the Secretary may include as
10 crude oil or as a petroleum product subject to tax
11 under section 4611, any fuel feedstock or finished
12 fuel product customarily transported by pipeline,
13 vessel, railcar, or tanker truck if the Secretary deter-
14 mines that—

15 “(A) the classification of such fuel feed-
16 stock or finished fuel product is consistent with
17 the definition of oil under the Oil Pollution Act
18 of 1990, and

19 “(B) such fuel feedstock or finished fuel
20 product is produced in sufficient commercial
21 quantities as to pose a significant risk of haz-
22 ard in the event of a discharge.”.

23 (c) TECHNICAL AMENDMENT.—Paragraph (2) of sec-
24 tion 4612(a) of the Internal Revenue Code of 1986 is
25 amended by striking “from a well located”.

1 (d) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to oil and petroleum products re-
3 ceived or entered during calendar quarters beginning more
4 than 60 days after the date of the enactment of this Act.

5 **SEC. 211. DENIAL OF DEDUCTION FOR REMOVAL COSTS**
6 **AND DAMAGES FOR CERTAIN OIL SPILLS.**

7 (a) IN GENERAL.—Section 162(f) of the Internal
8 Revenue Code of 1986 is amended—

9 (1) by redesignating paragraph (5) as para-
10 graph (6), and

11 (2) by inserting after paragraph (4) the fol-
12 lowing:

13 “(5) EXPENSES FOR REMOVAL COSTS AND
14 DAMAGES RELATING TO CERTAIN OIL SPILL LIABIL-
15 ITY.—Notwithstanding paragraphs (2) and (3), no
16 deduction shall be allowed under this chapter for any
17 costs or damages for which the taxpayer is liable
18 under section 1002 of the Oil Pollution Act of 1990
19 (33 U.S.C. 2702)”.
20

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

1 **SEC. 212. TAX ON CRUDE OIL AND NATURAL GAS PRO-**
2 **DUCED FROM THE OUTER CONTINENTAL**
3 **SHELF IN THE GULF OF MEXICO.**

4 (a) IN GENERAL.—Subtitle E of the Internal Rev-
5 enue Code of 1986 is amended by adding at the end the
6 following new chapter:

7 **“CHAPTER 56—TAX ON SEVERANCE OF**
8 **CRUDE OIL AND NATURAL GAS FROM**
9 **THE OUTER CONTINENTAL SHELF IN**
10 **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.

11 **“SEC. 5901. IMPOSITION OF TAX.**

12 “(a) IN GENERAL.—In addition to any other tax im-
13 posed under this title, there is hereby imposed a tax equal
14 to 13 percent of the removal price of any taxable crude
15 oil or natural gas removed from the premises during any
16 taxable period.

17 “(b) CREDIT FOR FEDERAL ROYALTIES PAID.—

18 “(1) IN GENERAL.—There shall be allowed as a
19 credit against the tax imposed by subsection (a) with
20 respect to the production of any taxable crude oil or
21 natural gas an amount equal to the aggregate
22 amount of royalties paid under Federal law with re-
23 spect to such production.

1 “(2) LIMITATION.—The aggregate amount of
2 credits allowed under paragraph (1) to any taxpayer
3 for any taxable period shall not exceed the amount
4 of tax imposed by subsection (a) for such taxable pe-
5 riod.

6 “(c) TAX PAID BY PRODUCER.—The tax imposed by
7 this section shall be paid by the producer of the taxable
8 crude oil or natural gas.

9 **“SEC. 5902. TAXABLE CRUDE OIL OR NATURAL GAS AND RE-**

10 **MOVAL PRICE.**

11 “(a) TAXABLE CRUDE OIL OR NATURAL GAS.—For
12 purposes of this chapter, the term ‘taxable crude oil or
13 natural gas’ means crude oil or natural gas which is pro-
14 duced from Federal submerged lands on the outer Conti-
15 nental Shelf in the Gulf of Mexico pursuant to a lease
16 entered into with the United States which authorizes the
17 production.

18 “(b) REMOVAL PRICE.—For purposes of this chap-
19 ter—

20 “(1) IN GENERAL.—Except as otherwise pro-
21 vided in this subsection, the term ‘removal price’
22 means—

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

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

4 “(2) SALES BETWEEN RELATED PERSONS.—In
5 the case of a sale between related persons, the re-
6 moval price shall not be less than the constructive
7 sales price for purposes of determining gross income
8 from the property under section 613.

9 “(3) OIL OR NATURAL GAS REMOVED FROM
10 PROPERTY BEFORE SALE.—If crude oil or natural
11 gas is removed from the property before it is sold,
12 the removal price shall be the constructive sales
13 price for purposes of determining gross income from
14 the property under section 613.

15 “(4) REFINING BEGUN ON PROPERTY.—If the
16 manufacture or conversion of crude oil into refined
17 products begins before such oil is removed from the
18 property—

19 “(A) such oil shall be treated as removed
20 on the day such manufacture or conversion be-
21 gins, and

22 “(B) the removal price shall be the con-
23 structive sales price for purposes of determining
24 gross income from the property under section
25 613.

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

3 **“SEC. 5903. SPECIAL RULES AND DEFINITIONS.**

4 “(a) ADMINISTRATIVE REQUIREMENTS.—

5 “(1) WITHHOLDING AND DEPOSIT OF TAX.—
6 The Secretary shall provide for the withholding and
7 deposit of the tax imposed under section 5901 on a
8 quarterly basis.

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

16 “(3) TAXABLE PERIODS; RETURN OF TAX.—

17 “(A) TAXABLE PERIOD.—Except as pro-
18 vided by the Secretary, each calendar year shall
19 constitute a taxable period.

20 “(B) RETURNS.—The Secretary shall pro-
21 vide for the filing, and the time for filing, of the
22 return of the tax imposed under section 5901.

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

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

4 “(2) CRUDE OIL.—The term ‘crude oil’ includes
5 crude oil condensates and natural gasoline.

6 “(3) PREMISES AND CRUDE OIL PRODUCT.—
7 The terms ‘premises’ and ‘crude oil product’ have
8 the same meanings as when used for purposes of de-
9 termining gross income from the property under sec-
10 tion 613.

11 “(c) ADJUSTMENT OF REMOVAL PRICE.—In deter-
12 mining the removal price of oil or natural gas from a prop-
13 erty in the case of any transaction, the Secretary may ad-
14 just the removal price to reflect clearly the fair market
15 value of oil or natural gas removed.

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

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

23 “(5) The tax imposed by section 5901(a) (after
24 application of section 5901(b)) on the severance of

1 crude oil or natural gas from the outer Continental
2 Shelf in the Gulf of Mexico.”.

3 (c) CLERICAL AMENDMENT.—The table of chapters
4 for subtitle E is amended by adding at the end the fol-
5 lowing new item:

“CHAPTER 56. Tax on severance of crude oil and natural gas
from the outer Continental Shelf in the Gulf of
Mexico.”.

6 (d) EFFECTIVE DATE.—The amendments made by
7 this section shall apply to crude oil or natural gas removed
8 after December 31, 2024.

9 **SEC. 213. REPEAL OF CORPORATE INCOME TAX EXEM-
10 TION FOR PUBLICLY TRADED PARTNERSHIPS
11 WITH QUALIFYING INCOME AND GAINS FROM
12 ACTIVITIES RELATING TO FOSSIL FUELS.**

13 (a) IN GENERAL.—Section 7704(d)(1) of the Inter-
14 nal Revenue Code of 1986 is amended by inserting “or
15 any coal, petroleum, natural gas, or any derivative of coal,
16 petroleum, or natural gas that is used for fuel” after “sec-
17 tion 613(b)(7)”.

18 (b) EFFECTIVE DATE.—The amendment made by
19 this section shall apply to taxable years beginning after
20 the date of the enactment of this Act.

21 **SEC. 214. AMORTIZATION OF QUALIFIED TERTIARY
22 INJECTANT EXPENSES.**

23 (a) IN GENERAL.—Section 193 of the Internal Rev-
24 enue Code of 1986 is amended—

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

3 "(a) AMORTIZATION OF QUALIFIED TERTIARY
4 INJECTANT EXPENSES.—

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

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

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

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

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

1 SEC. 215. AMORTIZATION OF DEVELOPMENT EXPENDI-
2 TURES.

3 (a) IN GENERAL.—Section 616 of the Internal Rev-
4 enue Code of 1986 is amended to read as follows:

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

14 "(b) MID-MONTH CONVENTION.—For purposes of
15 subsection (a), any expenditures paid or incurred during
16 any month shall be treated as paid or incurred on the mid-
17 point of such month.

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

22 "(d) TREATMENT UPON ABANDONMENT.—If any
23 property with respect to which expenditures described in
24 subsection (a) are paid or incurred is retired or abandoned
25 during the 84-month period described in such subsection,
26 no deduction shall be allowed on account of such retire-

1 ment or abandonment and the amortization deduction
2 under this section shall continue with respect to such pay-
3 ment.”.

4 (b) CONFORMING AMENDMENTS.—

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

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

9 (2) Section 56(a)(2)(A) of such Code is amend-
10 ed by striking “616(a) or”.

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

12 (A) in paragraph (2)—

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

15 (ii) by striking subparagraph (D), and

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

18 (B) in paragraph (5)(A), by striking “,
19 616(a),”.

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

22 (5) Section 263A(c)(3) of such Code is amend-
23 ed by striking “616, ”.

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

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

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

19 SEC. 216. AMORTIZATION OF CERTAIN MINING EXPLO-
20 RATION EXPENDITURES.

21 (a) IN GENERAL.—Section 617 of the Internal Rev-
22 enue Code of 1986 is amended to read as follows:

1 **“SEC. 617. AMORTIZATION OF CERTAIN MINING EXPLO-**2 **RATION EXPENDITURES.**

3 “(a) IN GENERAL.—Any expenditures paid or in-
4 curred for the purpose of ascertaining the existence, loca-
5 tion, extent, or quality of any deposit of ore or other min-
6 eral, and paid or incurred before the beginning of the de-
7 velopment stage of the mine, shall be allowed as a deduc-
8 tion ratably over the 84-month period beginning on the
9 date that such expense was paid or incurred.

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

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

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

26 (b) CONFORMING AMENDMENTS.—

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

10 (A) in paragraph (2)—

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

13 (ii) in subparagraph (C), by striking
14 the comma at the end and inserting a pe-
15 riod, and

16 (iii) by striking subparagraph (D),
17 and

18 (B) by striking paragraph (5) and insert-
19 ing the following:

20 “(5) DISPOSITIONS.—In the case of any dis-
21 position of property to which section 1254 applies
22 (determined without regard to this section), any de-
23 duction under paragraph (1) with respect to
24 amounts which are allocable to such property shall,

1 for purposes of section 1254, be treated as a deduc-
2 tion allowable under section 263(c).”.

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

4 (A) in paragraph (1), by striking
5 “617(d)(1),”, and

6 (B) in paragraph (3)(D), by striking
7 “617.”.

8 (5) Section 263A(c)(3) of such Code, as amend-
9 ed by section 215(b)(5), is amended by striking
10 “291(b)(2), or 617” and inserting “or 291(b)(2)”.

11 (6) Section 291(b) of such Code, as amended by
12 section 215(b)(6), is amended—

13 (A) in the heading, by striking “AND MIN-
14 ERAL EXPLORATION AND DEVELOPMENT
15 COSTS”,

16 (B) by striking paragraph (1) and insert-
17 ing the following:

18 “(1) IN GENERAL.—In the case of an inte-
19 grated oil company, the amount allowable as a de-
20 duction for any taxable year (determined without re-
21 gard to this section) under section 263(c) shall be
22 reduced by 30 percent.”,

23 (C) in paragraph (2), by striking “or
24 617(a) (as the case may be)”, and

1 (D) in paragraph (3), by striking “or
2 617(a) (whichever is appropriate)”.

6 “(2) INTANGIBLE DRILLING COSTS.—Any
7 amount allowable as a deduction under section
8 263(c) in determining taxable income (other than
9 costs incurred in connection with a nonproductive
10 well)—

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

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

17 (A) in paragraph (1), by adding "or" at
18 the end,

19 (B) by striking paragraph (2), and

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

1 Polluter Welfare Act of 2024" after "section
2 617(f)(2)", and

3 (B) by striking "617(d)(1),".

4 (10) Section 1254(a)(1)(A)(i) of such Code, as
5 amended by section 215(b)(10), is amended by strik-
6 ing "or 617".

7 (11) Paragraph (2) of section 1363(c) of such
8 Code is amended to read as follows:

9 "(2) EXCEPTION.—In the case of an S corpora-
10 tion, elections under section 901 (relating to taxes of
11 foreign countries and possessions of the United
12 States) shall be made by each shareholder sepa-
13 rately.".

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

18 **SEC. 217. AMORTIZATION OF INTANGIBLE DRILLING AND**
19 **DEVELOPMENT COSTS IN THE CASE OF OIL**
20 **AND GAS WELLS.**

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

1 “(c) INTANGIBLE DRILLING AND DEVELOPMENT
2 COSTS IN THE CASE OF OIL AND GAS WELLS AND GEO-
3 THERMAL WELLS.—

4 “(1) GEOTHERMAL WELLS.—Notwithstanding
5 subsection (a), and except as provided in subsection
6 (i), a taxpayer may elect to deduct as expenses in-
7 tangible drilling and development costs in the case
8 of wells drilled for any geothermal deposit (as de-
9 fined in section 613(e)(2)) in such manner as the
10 Secretary provides. This subsection shall not apply
11 with respect to any costs to which any deduction is
12 allowed under section 59(e).

13 “(2) OIL AND GAS WELLS.—Notwithstanding
14 subsection (a), and except as provided in subsection
15 (i), in the case of any expenses paid or incurred in
16 taxable years beginning after the date of the enact-
17 ment of End Polluter Welfare Act of 2024 in con-
18 nection with intangible drilling and development
19 costs related to oil and gas wells—

20 “(A) such expenses shall be allowed as a
21 deduction ratably over the 84-month period be-
22 ginning on the date that such expense was paid
23 or incurred,

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

4 “(C) except as provided in this paragraph,
5 no depreciation or amortization deduction shall
6 be allowed with respect to such expenses, and

7 “(D) if any property with respect to which
8 such intangible drilling and development costs
9 are paid or incurred is retired or abandoned
10 during such 84-month period, no deduction
11 shall be allowed on account of such retirement
12 or abandonment and the amortization deduction
13 under this paragraph shall continue with re-
14 spect to such payment.”.

15 (b) CONFORMING AMENDMENTS.—

16 (1) Paragraph (2) of section 57(a) of the Inter-
17 nal Revenue Code of 1986 is amended to read as fol-
18 lows:

19 “(2) INTANGIBLE DRILLING COSTS.—

20 “(A) IN GENERAL.—With respect to all
21 geothermal properties of the taxpayer, the
22 amount (if any) by which the amount of the ex-
23 cess intangible drilling costs arising in the tax-
24 able year is greater than 65 percent of the net

1 income of the taxpayer from geothermal prop-
2 erties for the taxable year.

3 “(B) EXCESS INTANGIBLE DRILLING
4 COSTS.—For purposes of subparagraph (A), the
5 amount of the excess intangible drilling costs
6 arising in the taxable year is the excess of—

7 “(i) the intangible drilling and devel-
8 opment costs paid or incurred in connec-
9 tion with geothermal wells (other than
10 costs incurred in drilling a nonproductive
11 well) allowable under section 263(c)(1) for
12 the taxable year, over

13 “(ii) the amount which would have
14 been allowable for the taxable year if such
15 costs had been capitalized and straight line
16 recovery of intangibles (as defined in sub-
17 section (b)) had been used with respect to
18 such costs.

19 “(C) NET INCOME FROM GEOTHERMAL
20 PROPERTIES.—For purposes of subparagraph
21 (A), the amount of the net income of the tax-
22 payer from geothermal properties for the tax-
23 able year is the excess of—

24 “(i) the aggregate amount of gross in-
25 come (within the meaning of section

1 613(a)) from all geothermal properties of
2 the taxpayer received or accrued by the
3 taxpayer during the taxable year, over

4 “(ii) the amount of any deductions al-
5 locable to such properties reduced by the
6 excess described in subparagraph (B) for
7 such taxable year.”.

8 (2) Section 59(e) of such Code, as amended by
9 sections 215 and 216, is amended—

10 (A) in paragraph (2)(C), by striking “sec-
11 tion 263(c)” and inserting “section 263(c)(1)”,
12 and

13 (B) in paragraph (5), by striking “section
14 263(c)” and inserting “section 263(c)(1)”.

15 (3) Section 263A(c)(3) of such Code, as amend-
16 ed by sections 215 and 216, is amended—

17 (A) in the heading, by striking “OIL AND
18 GAS” and inserting “GEOTHERMAL”, and

19 (B) by striking “263(c),” and inserting
20 “263(c)(1)”.

21 (4) Section 291 of such Code, as amended by
22 sections 215 and 216, is amended by striking sub-
23 section (b).

8 SEC. 218. INCREASE IN EXCISE TAX RATE FOR FUNDING OF
9 BLACK LUNG DISABILITY TRUST FUND.

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

12 (1) in paragraph (1), by striking “\$1.10” and
13 inserting “\$1.38”, and

14 (2) in paragraph (2), by striking “\$.55” and in-
15 serting “\$0.69”.

16 (b) EFFECTIVE DATE.—The amendments made by
17 this section shall apply on and after the first day of the
18 first calendar month beginning after the date of the enact-
19 ment of this Act.

20 SEC. 219. ELIMINATION OF RENEWABLE ELECTRICITY PRO-
21 DUCTION CREDIT ELIGIBILITY FOR REFINED
22 COAL.

23 (a) IN GENERAL.—Section 45 of the Internal Rev-
24 enue Code of 1986 is amended—

25 (1) in subsection (b)(2) —

1 (A) in the first sentence, by striking “, the
2 8 cent amount” and all that follows through “in
3 2002” and inserting “and the 8 cent amount in
4 paragraph (1)”, and

(B) in the third sentence, by striking “In any other case, if an amount” and inserting “If the 8 cent amount”,

10 and

11 (4) in subsection (e)—

12 (A) by striking paragraph (8), and

13 (B) by striking paragraph (9) and insert-
14 ing the following:

“(9) COORDINATION WITH CREDIT FOR PRO-
DUCING FUEL FROM A NONCONVENTIONAL
SOURCE.—The term ‘qualified facility’ shall not in-
clude any facility which produces electricity from gas
derived from the biodegradation of municipal solid
waste if such biodegradation occurred in a facility
(within the meaning of section 45K) the production
from which is allowed as a credit under section 45K
for the taxable year or any prior taxable year.”.

24 (b) CONFORMING AMENDMENTS.—

6 (c) EFFECTIVE DATE.—The amendments made by
7 this section shall apply to coal produced after December
8 31, 2024.

9 SEC. 220. TREATMENT OF FOREIGN OIL RELATED INCOME
10 AS SUBPART F INCOME.

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

16 “(4) the foreign base company oil related in-
17 come for the taxable year (determined under sub-
18 section (f) and reduced as provided in subsection
19 (b)(5)).”.

20 (b) FOREIGN BASE COMPANY OIL RELATED IN-
21 COME.—Section 954 of the Internal Revenue Code of 1986
22 is amended by inserting after subsection (e) the following
23 new subsection:

24 "(f) FOREIGN BASE COMPANY OIL RELATED IN-
25 COME.—For purposes of this section—

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

7 “(A) oil or gas which was extracted from
8 an oil or gas well located in such foreign coun-
9 try, or

10 “(B) oil, gas, or a primary product of oil
11 or gas which is sold by the foreign corporation
12 or a related person for use or consumption
13 within such country or is loaded in such coun-
14 try on a vessel or aircraft as fuel for such vessel
15 or aircraft.

16 Such term shall not include any foreign personal
17 holding company income (as defined in subsection
18 (c)).

19 “(2) PARAGRAPH (1) APPLIES ONLY WHERE
20 CORPORATION HAS PRODUCED 1,000 BARRELS PER
21 DAY OR MORE.—

22 “(A) IN GENERAL.—The term ‘foreign
23 base company oil related income’ shall not in-
24 clude any income of a foreign corporation if

1 such corporation is not a large oil producer for
2 the taxable year.

3 “(B) LARGE OIL PRODUCER.—For pur-
4 poses of subparagraph (A), the term ‘large oil
5 producer’ means any corporation if, for the tax-
6 able year or for the preceding taxable year, the
7 average daily production of foreign crude oil
8 and natural gas of the related group which in-
9 cludes such corporation equaled or exceeded
10 1,000 barrels.

11 “(C) RELATED GROUP.—The term ‘related
12 group’ means a group consisting of the foreign
13 corporation and any other person who is a re-
14 lated person with respect to such corporation.

15 “(D) AVERAGE DAILY PRODUCTION OF
16 FOREIGN CRUDE OIL AND NATURAL GAS.—For
17 purposes of this paragraph, the average daily
18 production of foreign crude oil or natural gas of
19 any related group for any taxable year (and the
20 conversion of cubic feet of natural gas into bar-
21 rels) shall be determined under rules similar to
22 the rules of section 613A (as in effect on the
23 day before the date of enactment of the End
24 Polluter Welfare Act of 2024) except that only
25 crude oil or natural gas from a well located out-

1 side the United States shall be taken into ac-
2 count.”.

3 (c) CONFORMING AMENDMENTS.—

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

9 “(I) foreign base company oil re-
10 lated income.”.

11 (2) Section 954(b) of such Code is amended—
12 (A) by inserting at the end of paragraph
13 (4) the following: “The preceding sentence shall
14 not apply to foreign base company oil-related
15 income described in subsection (a)(4).”,

16 (B) by striking “and the foreign base com-
17 pany services income” in paragraph (5) and in-
18 serting “the foreign base company services in-
19 come, and the foreign base company oil related
20 income”, and

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

23 “(6) FOREIGN BASE COMPANY OIL RELATED IN-
24 COME NOT TREATED AS ANOTHER KIND OF BASE
25 COMPANY INCOME.—Income of a corporation which

1 is foreign base company oil related income shall not
2 be considered foreign base company income of such
3 corporation under paragraph (2) or (3) of subsection
4 (a).”.

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

11 **SEC. 221. REPEAL OF EXCLUSION OF FOREIGN OIL AND**
12 **GAS EXTRACTION INCOME FROM THE DETER-**
13 **MINATION OF TESTED INCOME.**

14 (a) IN GENERAL.—Section 951A(c)(2)(A)(i) of the
15 Internal Revenue Code of 1986 is amended—

16 (1) by adding “and” at the end of subclause
17 (III),

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

20 (3) by striking subclause (V).

21 (b) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to taxable years of foreign corpora-
23 tions beginning after the date of enactment of this Act,
24 and to taxable years of United States shareholders in

1 which or with which such taxable years of foreign corpora-
2 tions end.

3 **SEC. 222. TERMINATION OF CREDIT FOR CARBON OXIDE**

4 **SEQUESTRATION.**

5 (a) IN GENERAL.—Section 45Q of the Internal Rev-
6 enue Code of 1986 is amended by adding at the end the
7 following:

8 “(j) TERMINATION.—This section shall not apply
9 with respect to any qualified carbon oxide captured after
10 the date of enactment of the End Polluter Welfare Act
11 of 2024.”.

12 (b) REPORT.—

13 (1) IN GENERAL.—Not later than 6 months
14 after the date of enactment of this Act, the Sec-
15 retary of the Treasury, or the Secretary’s delegate,
16 shall submit a report to Congress, to be made avail-
17 able to the public, which provides the following infor-
18 mation:

19 (A) The taxpayer identity information of
20 any taxpayer for which the carbon oxide seque-
21 stration credit under section 45Q of the Internal
22 Revenue Code of 1986 was allowed for any tax-
23 able year following the enactment of such sec-
24 tion.

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

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

12 (ii) Qualified carbon oxide which was
13 captured and used by the taxpayer as a
14 tertiary injectant in a qualified enhanced
15 oil or natural gas recovery project and dis-
16 posed of by the taxpayer in secure geologi-
17 cal storage.

22 (2) EXCEPTION FROM RULES REGARDING CON-
23 FIDENTIALITY AND DISCLOSURE OF RETURNS AND
24 RETURN INFORMATION.—Section 6103(l) of the In-

1 ternal Revenue Code of 1986 is amended by adding
2 at the end the following:

3 “(23) DISCLOSURE OF RETURN INFORMATION
4 FOR PUBLIC REPORT ON CARBON OXIDE SEQUES-
5 TRATION CREDIT.—The Secretary may disclose tax-
6 payer identity information and return information to
7 the extent the Secretary deems necessary for pur-
8 poses of the report issued pursuant to section 222
9 of the End Polluter Welfare Act of 2024.”.

10 **SEC. 223. ELIMINATE DRAWBACKS ON PETROLEUM TAXES.**

11 (a) IN GENERAL.—Section 313(j) of the Tariff Act
12 of 1930 (19 U.S.C. 1313(j)) is amended by adding at the
13 end the following new paragraph:

14 “(7) No amount of any tax imposed on any merchan-
15 dise pursuant to section 4611 of the Internal Revenue
16 Code of 1986 shall be eligible to be refunded as drawback
17 under this subsection.”.

18 (b) EFFECTIVE DATE.—The amendment made by
19 this section shall apply with respect to articles entered,
20 or withdrawn from warehouse for consumption, on or after
21 January 1, 2025.

22 **SEC. 224. MODIFYING CLEAN HYDROGEN PRODUCTION
23 CREDIT.**

24 (a) IN GENERAL.—Section 45V of the Internal Rev-
25 enue Code of 1986 is amended—

1 (1) in subsection (a), by striking paragraph (2)
2 and inserting the following:

3 “(2) \$0.60.”,

4 (2) by striking subsection (b) and inserting the
5 following:

6 “(b) INFLATION ADJUSTMENT.—The \$0.60 amount
7 in subsection (a)(2) shall be adjusted by multiplying such
8 amount by the inflation adjustment factor (as determined
9 under section 45(e)(2), determined by substituting ‘2023’
10 for ‘1992’ in subparagraph (B) thereof) for the calendar
11 year in which the qualified clean hydrogen is produced.
12 If any amount as increased under the preceding sentence
13 is not a multiple of 0.1 cent, such amount shall be rounded
14 to the nearest multiple of 0.1 cent.”,

15 (3) in subsection (c)—

16 (A) by striking paragraph (1),

17 (B) in paragraph (2)—

18 (i) by striking subparagraph (A) and
19 inserting the following:

20 “(A) DEFINITION.—

1 “(I) produced at a facility

2 which—

3 “(aa) uses qualified renew-
4 able energy resources to produce
5 such electricity,

6 “(bb) was placed in service
7 not greater than 36 months prior
8 to the date on which the facility
9 which produces such hydrogen
10 was placed in service, and

11 “(cc) is in the same region
12 (as defined in the National
13 Transmission Needs Study of the
14 Department of Energy, dated Oc-
15 tober 30, 2023) as the facility
16 which produces such hydrogen,
17 and

18 “(II) produced at the facility de-
19 scribed in subclause (I) not less than
20 1 hour prior to use by the electrolyzer.

21 “(ii) QUALIFIED RENEWABLE ENERGY
22 RESOURCES.—The term ‘qualified renew-
23 able energy resources’ means—

24 “(I) wind,

25 “(II) solar energy,

1 “(III) geothermal energy (as de-
2 fined in section 45(c)(4)),
3 “(IV) marine and hydrokinetic
4 renewable energy (as defined in sec-
5 tion 45(c)(10)), and
6 “(V) hydropower.”, and
7 (ii) by striking subparagraph (C),
8 (C) in paragraph (3)(C), by inserting “,
9 and which is placed in service after December
10 31, 2024” after “January 1, 2033”, and
11 (D) by redesignating paragraphs (2) and
12 (3) as paragraphs (1) and (2), respectively,
13 (4) in subsection (e)—
14 (A) in paragraph (1), by striking “de-
15 scribed in subsection (b)(2)” and inserting
16 “produced by the taxpayer”, and
17 (B) in paragraph (3)(A)(ii), by striking
18 “subsection (a)(2)” and inserting “subsection
19 (a)(1)”, and
20 (5) in subsection (f), by striking “, including
21 regulations or other guidance for determining
22 lifecycle greenhouse gas emissions”.

23 (b) CONFORMING AMENDMENTS.—
24 (1) Section 45(e)(13) of the Internal Revenue
25 Code of 1986 is amended by striking “section

1 45V(c)(3)) to produce qualified clean hydrogen (as
2 defined in section 45V(c)(2))” and inserting “section
3 45V(c)(2)) to produce qualified clean hydrogen (as
4 defined in section 45V(c)(1))”.

5 (2) Section 48(a)(15) of such Code is amend-
6 ed—

7 (A) in subparagraph (A), by striking
8 clause (ii) and inserting the following:

9 “(ii) the energy percentage with re-
10 spect to such property is 6 percent.”,

11 (B) in subparagraph (C)—

12 (i) by striking “section 45V(c)(3)”
13 and inserting “section 45V(c)(2)”, and

14 (ii) in clause (i), by striking “Decem-
15 ber 31, 2022” and inserting “December
16 31, 2024”, and

17 (C) in subparagraph (D), by striking “sec-
18 tion 45V(c)(2)” and inserting “section
19 45V(c)(1)”.

20 (3) Section 6417 of such Code is amended—

21 (A) in subsection (b)(5), by striking “De-
22 cember 31, 2012” and inserting “December 31,
23 2024”, and

1 (B) in subsection (d)(1)(B), by striking
2 “section 45V(c)(3)” and inserting “section
3 45V(c)(2)”.

4 (c) EFFECTIVE DATE.—The amendments made by
5 this section shall apply to facilities placed in service after
6 December 31, 2024.

7 **TITLE III—REPEAL RECENT FOS-**
8 **SIL FUEL SUBSIDY LEGISLA-**
9 **TION**

10 SEC. 301. FISCAL RESPONSIBILITY ACT.

11 (a) BUILDER ACT.—

16 (2) REPEAL OF MODIFICATIONS.—Section
17 102(2) of the National Environmental Policy Act of
18 1969 (42 U.S.C. 4332(2)) is amended—

19 (A) in subparagraph (C)—

20 (i) in the matter preceding clause (i),
21 by striking “consistent with the provisions
22 of this Act and except where compliance
23 would be inconsistent with other statutory
24 requirements.”;

1 (ii) by striking clauses (i) through (v)
2 and inserting the following:

3 “(i) the environmental impact of the
4 proposed action;

5 “(ii) any adverse environmental ef-
6 fects which cannot be avoided should the
7 proposal be implemented;

8 “(iii) alternatives to the proposed ac-
9 tion;

10 “(iv) the relationship between local
11 short-term uses of man’s environment and
12 the maintenance and enhancement of long-
13 term productivity; and

14 “(v) any irreversible and irretrievable
15 commitments of resources which would be
16 involved in the proposed action should it be
17 implemented.”; and

18 (iii) in the undesignated matter fol-
19 lowing clause (v) (as so amended), in the
20 first sentence, by striking “head of the
21 lead agency” and inserting “responsible
22 Federal official”;

23 (B) by striking subparagraphs (D), (E),
24 and (F);

1 (C) by redesignating subparagraphs (G)
2 through (L) as subparagraphs (D) through (I);
3 and

4 (D) in subparagraph (F) (as so redesignated), by striking “consistent with the provi-
5 sions of this Act.”.

7 (b) EXPEDITING COMPLETION OF THE MOUNTAIN
8 VALLEY PIPELINE.—Section 324 of the Fiscal Responsi-
9 bility Act (Public Law 118-5; 137 Stat. 47) is repealed.

10 SEC. 302. INFLATION REDUCTION ACT.

11 (a) 2017-2022 OUTER CONTINENTAL SHELF LEAS-
12 ING PROGRAM.—Section 50264 of Public Law 117–169
13 (commonly known as the “Inflation Reduction Act of
14 2022”) (136 Stat. 2059) is repealed.

15 (b) ENSURING ENERGY SECURITY.—Section 50265
16 of Public Law 117–169 (commonly known as the “Infla-
17 tion Reduction Act of 2022”) (43 U.S.C. 3006) is re-
18 pealed.

19 **TITLE IV—ELIMINATION OF** 20 **OTHER FOSSIL FUEL SUBSIDIES**

21 SEC. 401. STUDY AND ELIMINATION OF ADDITIONAL FOSSIL
22 FUEL SUBSIDIES.

23 (a) DEFINITION OF SUBSIDY FOR FOSSIL-FUEL PRO-
24 DUCTION.—In this section, the term “subsidy for fossil-
25 fuel production” means any direct funding, tax treatment

1 or incentive, risk-reduction benefit, financing assistance or
2 guarantee, royalty relief, or other provision that provides
3 a financial benefit to a fossil-fuel company for the produc-
4 tion of fossil fuels.

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

14 (c) REPORT ON MODIFIED RECOVERY PERIOD.—

15 (1) IN GENERAL.—Not later than 1 year after
16 the date of enactment of this Act, the Secretary, in
17 coordination with the Commissioner of Internal Rev-
18 enue, shall submit to Congress a report on the appli-
19 cable recovery period under the accelerated cost re-
20 covery system provided in section 168 of the Inter-
21 nal Revenue Code of 1986 for each type of property
22 involved in fossil-fuel production, including pipelines,
23 power generation property, refineries, and drilling
24 equipment, to determine if any assets are receiving
25 a subsidy for fossil-fuel production.

1 (2) ELIMINATION OF SUBSIDY.—

10 (B) EXCEPTION.—Subparagraph (A) shall
11 not apply to any property with respect to a tax-
12 able year unless such determination is published
13 before the first day of such taxable year.