

119TH CONGRESS
1ST SESSION

S. 2712

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

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 4, 2025

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

A BILL

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

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “America’s Clean Fu-
5 ture Fund Act”.

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

7 (a) ESTABLISHMENT.—

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

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

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

(3) ACTIVITIES.—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

8 (b) BOARD OF DIRECTORS.—

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

15 (2) CHAIRPERSON AND VICE CHAIRPERSON.—

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

22 (B) TERM.—An individual—

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

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

4 (3) BOARD MEMBERS.—

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

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

13 (C) TERM.—

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

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

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

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

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

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

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

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

9 (c) WORKING GROUPS.—

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

14 (A) An environmental justice working
15 group.

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

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

20 (2) WORKING GROUP MEMBERS.—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

13 (d) INVESTMENT PLAN.—

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

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

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

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

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

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

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

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

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

20 (4) INVESTMENT PLAN UPDATES.—

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

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

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

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

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

(iv) the resiliency needs of local communities;

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

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

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

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

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

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

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

8 (e) INVESTMENT TOOLS.—

9 (1) DEFINITIONS.—In this subsection:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(ii) 200 percent of the Federal poverty line.

(H) STATE.—The term “State” means—

(i) a State;

(ii) the District of Columbia;

(iii) the Commonwealth of Puerto Rico; and

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

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

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

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

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

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

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

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

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

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

6 (A) IN GENERAL.—The C2FC—

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

13 (I) energy efficiency upgrades to
 14 infrastructure;

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

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

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

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

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

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

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

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

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

21 (bb) energy storage and grid
22 modernization;

23 (cc) geothermal energy;

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

1 (ee) wind energy; and

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

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

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

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

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

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

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

(B) LOAN GUARANTEES.—

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

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

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

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

3 (iv) GUARANTEE FEES.—

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

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

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

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

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

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

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

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

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

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

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

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

9 (4) WAGE RATE REQUIREMENTS.—

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

21 (B) AUTHORITY.—With respect to the
22 labor standards specified in subparagraph (A),
23 the Secretary of Labor shall have the authority
24 and functions set forth in Reorganization Plan
25 No. 14 of 1950 (64 Stat. 1267; 5 U.S.C. App.)

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

3 (5) BUY AMERICA REQUIREMENTS.—

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

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

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

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

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

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

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

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

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

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

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

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

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

20 (g) INITIAL CAPITALIZATION.—There is appropriated
21 to carry out this section (including for administrative costs
22 of the C2FC), out of any funds in the Treasury not other-
23 wise appropriated, \$7,500,000,000 for each of fiscal years
24 2026 and 2027, to remain available until expended.

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

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

5 **“Subchapter E—Carbon Fee**

“Sec. 4691. Definitions.

“Sec. 4692. Carbon fee.

“Sec. 4693. Fee on noncovered fuel emissions.

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

“Sec. 4695. Border adjustments.

6 **“SEC. 4691. DEFINITIONS.**

7 “For purposes of this subchapter—

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

11 “(2) CARBON DIOXIDE EQUIVALENT OR CO₂-
12 E.—The term ‘carbon dioxide equivalent’ or ‘CO₂-e’
13 means the number of metric tons of carbon dioxide
14 emissions with the same global warming potential
15 over a 100-year period as one metric ton of another
16 greenhouse gas.

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

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

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

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

9 “(A) in the case of crude oil—

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

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

17 “(B) in the case of coal—

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

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

22 “(C) in the case of natural gas—

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

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

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

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

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

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

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

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

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

10 “(7) GREENHOUSE GAS CONTENT.—The term
11 ‘greenhouse gas content’ means the amount of
12 greenhouse gases, expressed in metric tons of CO₂-
13 e, which would be emitted to the atmosphere by the
14 use of a covered fuel.

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

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

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

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

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

9 **“SEC. 4692. CARBON FEE.**

10 “(a) DEFINITIONS.—In this section:

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

15 “(A) beginning on January 1, 2027, and

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

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

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

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

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

7 “(b) CARBON FEE.—During any calendar year that
 8 begins after December 31, 2026, there is imposed a car-
 9 bon fee on any covered entity’s use, sale, or transfer of
 10 any covered fuel.

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

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

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

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

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

22 “(A) in the case of calendar year 2027,
 23 \$75, and

“(B) except as provided in paragraphs (2) and (3), in the case of any calendar year after 2027, the amount equal to the sum of—

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

“(ii)(I) in the case of calendar year 2028, \$10, and

“(II) in the case of any calendar year after 2028, the amount in effect under this clause for the preceding calendar year, plus \$10.

“(2) INFLATION ADJUSTMENT.—

“(A) IN GENERAL.—In the case of any calendar year after 2027, the amount determined under paragraph (1)(B) shall be increased by an amount equal to—

“(i) that dollar amount, multiplied by

“(ii) the cost-of-living adjustment determined under section 1(f)(3) for that calendar year, determined by substituting ‘2026’ for ‘2016’ in subparagraph (A)(ii) thereof.

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

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

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

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

12 “(i) in the case of calendar years
 13 2029 through 2030, by substituting ‘\$15’
 14 for ‘\$10’,

15 “(ii) in the case of calendar years
 16 2031 through 2040, by substituting ‘\$20’
 17 for ‘\$10’, and

18 “(iii) in the case of any calendar year
 19 beginning after 2040, by substituting ‘\$25’
 20 for ‘\$10’.

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

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

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

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

15 “(e) EMISSIONS TARGETS.—

16 “(1) IN GENERAL.—

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

21 “(i) for calendar years 2027 and
22 2028, the applicable percentage of the total
23 amount of greenhouse gas emissions from
24 the use of any covered fuel during calendar
25 year 2018, and

1 “(ii) for calendar year 2029 and each
 2 calendar year thereafter, the applicable
 3 percentage of the total amount of green-
 4 house gas emissions from the use of any
 5 covered fuel and noncovered fuel emissions
 6 during calendar year 2018.

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

17 “(2) APPLICABLE PERCENTAGE.—

18 “(A) 2027 THROUGH 2035.—In the case
 19 of calendar years 2027 through 2035, the appli-
 20 cable percentage shall be determined as follows:

“Year	Applicable percentage
2027	63 percent
2028	60 percent
2029	57 percent
2030	55 percent
2031	52 percent
2032	49 percent
2033	46 percent
2034	43 percent
2035	40 percent

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

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

6 “(ii) 2 percentage points.

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

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

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

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

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

22 “(B) DETERMINATIONS.—Not later than
 23 September 30, 2029, and annually thereafter,
 24 the Administrator, in consultation with the Sec-
 25 retary and as part of the report described in

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

“(4) EMISSIONS ACCOUNTING METHODOLOGY.—

“(A) IN GENERAL.—Not later than January 1, 2027, the Administrator shall prescribe rules for greenhouse gas accounting for covered entities for purposes of this subchapter, which shall—

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

“(ii) ensure that the method of accounting—

“(I) applies to—

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

1 all noncovered fuel emissions,
 2 and

3 “(bb) all covered entities,

4 “(II) excludes—

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

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

11 “(III) appropriately accounts
 12 for—

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

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

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

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

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

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

17 “(B) GREENHOUSE GAS REPORTING PRO-
18 GRAM.—For purposes of establishing the rules
19 described in subparagraph (A), the Adminis-
20 trator may elect to modify the activities of the
21 Greenhouse Gas Reporting Program established
22 under part 98 of title 40, Code of Federal Reg-
23 ulations, as in effect on January 1, 2025, to
24 satisfy the requirements described in clauses (i)
25 through (iv) of such subparagraph.

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

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

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

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

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

1 “(3) as may be necessary or convenient, rules
2 for distinguishing between the greenhouse gas emis-
3 sions of a covered entity and the greenhouse gas
4 emissions that are attributed to the covered entity
5 but not directly emitted by the covered entity,

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

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

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

14 “(a) IN GENERAL.—During any calendar year that
15 begins after December 31, 2028, there is imposed a fee
16 on a covered entity for any noncovered fuel emissions
17 which occur during the calendar year.

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

22 “(1) the total amount, in metric tons of CO₂-
23 e, of emitted greenhouse gases, multiplied by

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

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

10 **“SEC. 4694. REFUNDS FOR CARBON CAPTURE, SEQUESTRA-**
 11 **TION, AND UTILIZATION.**

12 “(a) IN GENERAL.—

13 “(1) CAPTURE, SEQUESTRATION, AND USE.—
 14 The Secretary, in consultation with the Adminis-
 15 trator and the Secretary of Energy, shall prescribe
 16 regulations for providing payments to any person
 17 which captures qualified carbon oxide which is—

18 “(A) disposed of by such person in secure
 19 geological storage, as described in section
 20 45Q(f)(2), or

21 “(B) used in a manner which has been ap-
 22 proved by the Secretary pursuant to subsection
 23 (c).

24 “(2) ELECTION.—If the person described in
 25 paragraph (1) makes an election under this para-

1 graph in such time and manner as the Secretary
 2 may prescribe by regulations, the credit under this
 3 section—

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

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

9 “(b) PAYMENTS FOR CARBON CAPTURE.—

10 “(1) IN GENERAL.—In the case of any facility
 11 for which carbon capture equipment has been placed
 12 in service, the Secretary shall make payments in the
 13 same manner as if such payment was a refund of an
 14 overpayment of the fee imposed by section 4692 or
 15 4693.

16 “(2) AMOUNT OF PAYMENT.—The payment de-
 17 termined under this subsection shall be an amount
 18 equal to—

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

23 “(B)(i) the carbon fee rate during the year
 24 in which the carbon fee was imposed by section

1 4692 on the covered fuel to which such carbon
2 oxide relates, or

3 “(ii) in the case of a direct air capture fa-
4 cility (as defined in section 45Q(e)(1)), the car-
5 bon fee rate during the year in which the quali-
6 fied carbon oxide was captured and disposed of,
7 used, or utilized.

8 “(c) APPROVED USES OF QUALIFIED CARBON
9 OXIDE.—

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

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

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

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

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

3 “(1) in violation of any applicable air or water
4 quality regulations, or

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

12 **“SEC. 4695. BORDER ADJUSTMENTS.**

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

16 “(b) EXPORTS.—

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

1 “(2) COVERED FUELS.—In the case of any cov-
 2 ered fuel which is exported from the United States,
 3 the Secretary shall pay to the person exporting such
 4 fuel a refund equal to the amount of the cost of such
 5 fuel attributable to any fees imposed under this sub-
 6 chapter related to the use, sale, or transfer of such
 7 fuel.

8 “(c) IMPORTS.—

9 “(1) CARBON-INTENSIVE PRODUCTS.—

10 “(A) IMPOSITION OF EQUIVALENCY FEE.—

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

21 “(B) REDUCTION IN FEE.—The amount of
 22 the equivalency fee under subparagraph (A)
 23 shall be reduced by the amount, if any, of any
 24 fees imposed on the carbon-intensive product by

1 the foreign nation or governmental units from
2 which such product was imported.

3 “(2) COVERED FUELS.—

4 “(A) IN GENERAL.—In the case of any
5 covered fuel imported into the United States,
6 there is imposed an equivalency fee on the per-
7 son importing such fuel in an amount equal to
8 the amount of any fees that would be imposed
9 under this subchapter related to the use, sale,
10 or transfer of such fuel.

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

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

22 “(e) REGULATORY AUTHORITY.—

23 “(1) IN GENERAL.—The Secretary shall consult
24 with the Administrator, the Secretary of Commerce,
25 and the Secretary of Energy in establishing rules

1 and regulations implementing the purposes of this
2 section.

3 “(2) TREATIES.—The Secretary, in consulta-
4 tion with the Secretary of State, may adjust the ap-
5 plicable amounts of the refunds and equivalency fees
6 under this section in a manner that is consistent
7 with any obligations of the United States under an
8 international agreement.”.

9 (b) EFFECTIVE DATE.—The amendment made by
10 this section shall apply to periods beginning after Decem-
11 ber 31, 2026.

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

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

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

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

23 “(b) TRANSFERS TO AMERICA’S CLEAN FUTURE
24 FUND.—There is appropriated to the Trust Fund, out of
25 any funds in the Treasury not otherwise appropriated,

1 amounts equal to the fees received into the Treasury
 2 under sections 4692, 4693, and 4695, less—

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

5 “(2) for each of the first 14 fiscal years begin-
 6 ning after September 30, 2027, an amount equal to
 7 the quotient of—

8 “(A) \$100,000,000,000, and

9 “(B) 14.

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

12 “(1) CARBON FEE REBATE AND AGRICULTURAL
 13 DECARBONIZATION TRANSITION PAYMENTS.—

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

18 “(i) for each of the first 10 fiscal
 19 years beginning after September 30, 2027,
 20 an amount equal to—

21 “(I) 75 percent of those amounts,
 22 minus

23 “(II) the amount determined
 24 under subparagraph (B) for such fis-
 25 cal year, and

1 “(ii) for any fiscal year beginning
 2 after the period described in clause (i), the
 3 applicable percentage of such amounts.

4 “(B) AGRICULTURAL DECARBONIZATION
 5 TRANSITION PAYMENTS.—For the purposes de-
 6 scribed in section 6 of the America’s Clean Fu-
 7 ture Fund Act, for each of the first 10 fiscal
 8 years beginning after September 30, 2027, an
 9 amount equal to 7 percent of the amount deter-
 10 mined annually under subparagraph (A)(i)(I).

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

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

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

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

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

3 “(A) IN GENERAL.—For the purposes de-
4 scribed in section 2 of the America’s Clean Fu-
5 ture Fund Act (including any expenses nec-
6 essary to administer such section), the applica-
7 ble percentage of such amounts.

8 “(B) APPLICABLE PERCENTAGE.—For
9 purposes of this paragraph, the applicable per-
10 centage shall be equal to—

11 “(i) for each of the first 10 fiscal
12 years beginning after the period described
13 in subsection (e) of such section, 15 per-
14 cent,

15 “(ii) for each of the first 4 fiscal years
16 subsequent to the period described in
17 clause (i), the applicable percentage for the
18 preceding fiscal year increased by 1 per-
19 centage point, and

20 “(iii) for any fiscal year subsequent to
21 the period described in clause (ii), 20 per-
22 cent.

23 “(3) TRANSITION ASSISTANCE FOR IMPACTED
24 COMMUNITIES.—

1 “(A) IN GENERAL.—For the purposes de-
 2 scribed in section 7 of the America’s Clean Fu-
 3 ture Fund Act (including any expenses nec-
 4 essary to administer such section), the applica-
 5 ble percentage of such amounts.

6 “(B) APPLICABLE PERCENTAGE.—For
 7 purposes of this paragraph, the applicable per-
 8 centage shall be equal to—

9 “(i) for each of the first 10 fiscal
 10 years beginning after September 30, 2027,
 11 10 percent,

12 “(ii) for each of the first 4 fiscal years
 13 subsequent to the period described in
 14 clause (i), the applicable percentage for the
 15 preceding fiscal year reduced by 2 percent-
 16 age points, and

17 “(iii) for any fiscal year subsequent to
 18 the period described in clause (ii), 0 per-
 19 cent.”.

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

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

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

25 (a) ELIGIBLE INDIVIDUAL.—

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

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

6 (B) who has attained 18 years of age, and

7 (C) whose principal place of abode is in the
 8 United States for more than one-half of the
 9 most recent taxable year for which a return has
 10 been filed.

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

16 (b) REBATES.—Subject to subsections (c)(2) and (k),
 17 from amounts in the America’s Clean Future Fund estab-
 18 lished by section 9512(c)(1)(A) of the Internal Revenue
 19 Code of 1986 that are available in any year, the Secretary
 20 shall, for each calendar quarter beginning after September
 21 30, 2027, make carbon fee rebate payments to each eligi-
 22 ble individual, to be known as “America’s Clean Future
 23 Fund Stimulus payments” (referred to in this section as
 24 “carbon fee rebate payments”).

25 (c) PRO-RATA SHARE.—

1 (1) IN GENERAL.—With respect to each quarter
2 during any fiscal year beginning after September 30,
3 2027, the carbon fee rebate payment is 1 pro-rata
4 share for each eligible individual of an amount equal
5 to 25 percent of amounts apportioned under section
6 9512(c)(1)(A) of the Internal Revenue Code of 1986
7 for such fiscal year.

8 (2) INITIAL ANNUAL REBATE PAYMENTS.—

9 (A) IN GENERAL.—From amounts appro-
10 priated under subsection (j), the Secretary
11 shall, for each of fiscal years 2026 and 2027,
12 make carbon fee rebate payments to each eligi-
13 ble individual during the third quarter of each
14 such fiscal year.

15 (B) PRO-RATA SHARE.—For purposes of
16 this paragraph, the carbon fee rebate payment
17 is 1 pro-rata share for each eligible individual
18 of the amount appropriated under subsection (j)
19 for the fiscal year.

20 (3) ESTIMATE.—For each fiscal year described
21 in paragraph (1), the Secretary shall, not later than
22 the first day of such fiscal year, publicly announce
23 an estimate of the amount of the carbon fee rebate
24 payment for each quarter during such fiscal year.

25 (d) PHASEOUT.—

1 (1) DEFINITIONS.—In this subsection:

2 (A) MODIFIED ADJUSTED GROSS IN-
3 COME.—The term “modified adjusted gross in-
4 come” means adjusted gross income increased
5 by any amount excluded from gross income
6 under section 911, 931, or 933 of the Internal
7 Revenue Code of 1986.

8 (B) HOUSEHOLD MEMBER.—The term
9 “household member of the taxpayer” means the
10 taxpayer, the taxpayer’s spouse, and any de-
11 pendent of the taxpayer.

12 (C) THRESHOLD AMOUNT.—The term
13 “threshold amount” means—

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

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

18 (2) PHASEOUT OF PAYMENTS.—In the case of
19 any taxpayer whose modified adjusted gross income
20 for the most recent taxable year for which a return
21 has been filed exceeds the threshold amount, the
22 amount of the carbon fee rebate payment otherwise
23 payable to any household member of the taxpayer
24 under this section shall be reduced (but not below
25 zero) by a dollar amount equal to 5 percent of such

1 payment (as determined before application of this
 2 paragraph) for each \$1,000 (or fraction thereof) by
 3 which the modified adjusted gross income of the tax-
 4 payer exceeds the threshold amount.

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

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

17 (g) DISCLOSURE OF RETURN INFORMATION.—Sec-
 18 tion 6103(l) of the Internal Revenue Code of 1986 is
 19 amended by adding at the end the following new para-
 20 graph:

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

23 “(A) DEPARTMENT OF TREASURY.—Re-
 24 turn information with respect to any taxpayer
 25 shall, without written request, be open to in-

1 spection by or disclosure to officers and employ-
 2 ees of the Department of the Treasury whose
 3 official duties require such inspection or disclo-
 4 sure for purposes of administering section 5 of
 5 the America’s Clean Future Fund Act.

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

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

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

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

22 (i) PUBLIC AWARENESS CAMPAIGN.—The Secretary
 23 shall conduct a public awareness campaign, in coordina-
 24 tion with the Commissioner of Social Security, the heads
 25 of other relevant Federal agencies, and Indian Tribes (as

1 defined in section 4 of the Indian Self-Determination and
 2 Education Assistance Act (25 U.S.C. 5304)), to provide
 3 information to the public regarding the availability of car-
 4 bon fee rebate payments under this section.

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

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

11 (2) for the fiscal year ending September 30,
 12 2027, \$37,500,000,000.

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

15 (1) a determination by the Secretary under sec-
 16 tion 4692(d)(3)(B) of the Internal Revenue Code of
 17 1986; or

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

22 **SEC. 6. AGRICULTURAL DECARBONIZATION TRANSITION**
 23 **PAYMENTS.**

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

1 (1) to provide transition assistance to eligible
 2 producers in the agricultural sector to prepare for
 3 and facilitate entry into greenhouse gas credit mar-
 4 kets; and

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

7 (b) DEFINITIONS.—In this section:

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

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

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

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

1 (3) GREENHOUSE GAS EMISSIONS REDUC-
 2 TION.—The term “greenhouse gas emissions reduc-
 3 tion” means the reduction in greenhouse gas emis-
 4 sions as a result of the adoption of qualifying ac-
 5 tions described in subsection (c)(2), as compared to
 6 an historical baseline.

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

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

11 (6) TRADITIONALLY UNDERSERVED.—The term
 12 “traditionally underserved”, with respect to an eligi-
 13 ble producer, means that the eligible producer—

14 (A) has been socially or economically dis-
 15 advantaged by previous discriminatory laws or
 16 policies based on race, ethnicity, or disability;

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

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

21 (ii)(I) has not operated an agriculture op-
 22 eration;

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

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

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

5 (E) has a household income not greater
6 than the national poverty level.

7 (c) ESTABLISHMENT OF PROGRAM.—

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

13 (2) QUALIFYING ACTIONS.—

14 (A) IN GENERAL.—The Secretary shall de-
15 termine actions that qualify for payments under
16 the program.

17 (B) REQUIREMENTS.—To be a qualifying
18 action under subparagraph (A), an action shall
19 be—

20 (i) a climate-smart practice, includ-
21 ing—

22 (I) a practice determined by a
23 land-grant college or university (as de-
24 fined in section 1404 of the National
25 Agricultural Research, Extension, and

1 Teaching Policy Act of 1977 (7
2 U.S.C. 3103)); or

3 (II) climate-smart energy genera-
4 tion, fueling, or efficiency; and

5 (ii) measurable, reportable, and
6 verifiable for reducing greenhouse gas
7 emissions, as determined by the Secretary.

8 (3) CONSIDERATIONS.—In determining the rate
9 and duration of a payment under paragraph (1), the
10 Secretary shall consider—

11 (A) the degree of additionality of the
12 greenhouse gas emissions reduction;

13 (B) whether the recipient of the payment
14 was an early adopter of 1 or more practices
15 that reduce greenhouse gas emissions;

16 (C) the likelihood that the applicable quali-
17 fying action described in paragraph (2) would
18 have been carried out absent the provision of
19 the payment;

20 (D) the degree of transitionality or perma-
21 nence of the greenhouse gas emissions reduc-
22 tion;

23 (E) whether the applicable qualifying ac-
24 tion described in paragraph (2) provides mul-

1 tiple environmental and health co-benefits in
2 addition to reduced greenhouse gas emissions;

3 (F) the degree to which the recipient of the
4 payment is a traditionally underserved eligible
5 producer;

6 (G) the integration with and enhancement
7 of payments and policies of similar Federal,
8 State, or local programs; and

9 (H) any payments received, or to be re-
10 ceived, by the applicable eligible producer from
11 a similar Federal, State, or local program for
12 applicable qualifying actions described in para-
13 graph (2).

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

21 (5) EFFECTIVENESS.—The authority to provide
22 payments under this subsection shall be effective for
23 each of the first 10 fiscal years beginning after Sep-
24 tember 30, 2026.

25 (d) COLLECTION OF DATA AND REPORTING.—

1 (1) MEASUREMENT SYSTEM.—The Secretary
2 shall use an outcomes-based measurement system
3 that uses the best available science and technology
4 for cost-effective recordkeeping, modeling, and meas-
5 urement of farm-level greenhouse gas emissions on
6 eligible land enrolled in the program.

7 (2) INVENTORY.—

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

17 (B) DATABASE.—The Secretary shall—

18 (i) establish an accessible and inter-
19 operable database for the inventory estab-
20 lished under subparagraph (A) using the
21 measurement system established under
22 paragraph (1); and

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

1 (3) CRITERIA.—

2 (A) IN GENERAL.—The Secretary shall es-
3 tablish criteria for payments under the program
4 to inform policy and markets established to pro-
5 mote greenhouse gas emissions reductions.

6 (B) REQUIREMENTS.—The criteria estab-
7 lished under subparagraph (A) shall—

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

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

16 (iii) prevent, to the maximum extent
17 practicable, the degradation of other nat-
18 ural resource or environmental conditions.

19 (4) MEASUREMENT, REPORTING, MONITORING,
20 AND VERIFICATION SERVICES.—

21 (A) IN GENERAL.—The Secretary—

22 (i) shall provide services described in
23 subparagraph (B) to eligible producers
24 participating in the program; and

1 (ii) may approve and provide oversight
 2 of 1 or more third-party agents to provide
 3 services described in subparagraph (B) to
 4 eligible producers participating in the pro-
 5 gram.

6 (B) SERVICES DESCRIBED.—Services re-
 7 ferred to in subparagraph (A) are determining
 8 the greenhouse gas emissions reduction by—

- 9 (i) measurement;
- 10 (ii) reporting;
- 11 (iii) monitoring; and
- 12 (iv) verification.

13 (C) USE OF PROTOCOLS.—Services re-
 14 ferred to in subparagraph (A) shall be provided
 15 using—

- 16 (i) the measurement system described
- 17 in paragraph (1); and
- 18 (ii) the criteria described in paragraph
- 19 (3).

20 (D) PRIVACY AND DATA SECURITY.—

21 (i) IN GENERAL.—The Secretary shall
 22 establish—

23 (I) safeguards to protect the pri-
 24 vacy of information that is submitted
 25 through or retained by a third-party

1 agent approved under subparagraph
2 (A), including employees and contrac-
3 tors of the third-party agent; and

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

8 (ii) PENALTIES.—The Secretary shall
9 establish penalties for any violations of pri-
10 vacy or confidentiality under clause (i).

11 (E) DISCLOSURE OF INFORMATION.—

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

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

22 (II) in a form that may include
23 identifiable or personal information of
24 a producer only if that producer con-

1 sents to the disclosure of the informa-
2 tion.

3 (ii) RESEARCH, AUDIT, AND PROGRAM
4 IMPROVEMENT.—Information collected for
5 the purposes of services provided under
6 subparagraph (A) may be disclosed for the
7 purposes of providing technical assistance,
8 including audit, research, or improvement
9 of a program under this section, either in
10 aggregate or in a form that includes identi-
11 fiable or personal information of a pro-
12 ducer, if the Secretary obtains adequate
13 assurances that—

14 (I) the recipient shall ensure pri-
15 vacy safeguards of identifiable or per-
16 sonal information of a producer; and

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

21 (e) REGULATIONS.—Not later than July 1, 2026, the
22 Secretary shall promulgate regulations to carry out this
23 section, including—

24 (1) the amount of a payment under subsection

25 (c), which shall be based on—

1 (A) the quantity of CO₂-e reduced; and

2 (B) the considerations described in sub-
3 section (c)(3);

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

8 (A) an accreditation process; and

9 (B) a conflict of interest policy; and

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

14 **SEC. 7. TRANSITION ASSISTANCE FOR IMPACTED COMMU-**
15 **NITIES.**

16 (a) DEFINITIONS.—In this section:

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

21 (2) INDIVIDUAL WITH A BARRIER TO EMPLOY-
22 MENT.—The term “individual with a barrier to em-
23 ployment” has the meaning given the term in section
24 3 of the Workforce Innovation and Opportunity Act
25 (29 U.S.C. 3102).

1 (3) INSTITUTION OF HIGHER EDUCATION.—The
2 term “institution of higher education” has the
3 meaning given the term in section 101 of the Higher
4 Education Act of 1965 (20 U.S.C. 1001).

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

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

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

18 (7) STATE.—The term “State” means—

19 (A) a State;

20 (B) the District of Columbia;

21 (C) the Commonwealth of Puerto Rico;

22 and

23 (D) any other territory or possession of the
24 United States.

1 (8) STATE BOARD.—The term “State board”
2 has the meaning given the term in section 3 of the
3 Workforce Innovation and Opportunity Act (29
4 U.S.C. 3102).

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

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

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

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

1 (2) as determined by the Secretary, in consulta-
2 tion with the Administrator of the Federal Emer-
3 gency Management Agency, has been or is at risk of
4 being impacted by extreme weather events, sea level
5 rise, and natural disasters related to climate change;
6 or

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

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

14 (1) economic and workforce development activi-
15 ties, such as—

16 (A) job creation;

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

22 (i) workers impacted by changes in
23 carbon-intensive industries;

24 (ii) individuals with a barrier to em-
25 ployment; and

- 1 (iii) programs that lead to a recog-
2 nized postsecondary credential;
- 3 (C) local and regional investment, includ-
4 ing commercial and industrial economic diver-
5 sification;
- 6 (D) export promotion; and
- 7 (E) establishment of a monthly subsidy
8 payment for workers who retire early due to
9 economic changes in carbon-intensive industries;
- 10 (2) climate change resiliency, such as—
 - 11 (A) building electrical, communications,
12 utility, transportation, and other infrastructure
13 in flood-prone areas above flood zone levels;
 - 14 (B) building flood and stormproofing
15 measures in flood-prone areas and erosion-
16 prone areas;
 - 17 (C) increasing the resilience of a surface
18 transportation infrastructure asset to withstand
19 extreme weather events and climate change im-
20 pacts;
 - 21 (D) improving stormwater infrastructure;
 - 22 (E) increasing the resilience of agriculture
23 to extreme weather;
 - 24 (F) ecological restoration;

1 (G) increasing the resilience of forests to
2 wildfires;

3 (H) increasing coastal resilience; and

4 (I) implementing heat island cooling strat-
5 egies;

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

11 (A) coal ash and petroleum coke cleanup;

12 (B) mine reclamation;

13 (C) reclamation and plugging of aban-
14 doned oil and natural gas wells on private and
15 public land; and

16 (D) remediation of impaired waterways
17 and drinking water resources; or

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

23 (e) REQUIREMENTS.—

24 (1) LABOR STANDARDS; NONDISCRIMINA-
25 TION.—An eligible entity that receives a grant under

1 this section shall use the funds in a manner con-
2 sistent with sections 181 and 188 of the Workforce
3 Innovation and Opportunity Act (29 U.S.C. 3241,
4 3248).

5 (2) WAGE RATE REQUIREMENTS.—

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

17 (B) AUTHORITY.—With respect to the
18 labor standards specified in subparagraph (A),
19 the Secretary of Labor shall have the authority
20 and functions set forth in Reorganization Plan
21 No. 14 of 1950 (64 Stat. 1267; 5 U.S.C. App.)
22 and section 3145 of title 40, United States
23 Code.

24 (3) BUY AMERICA REQUIREMENTS.—

1 (A) IN GENERAL.—All iron, steel, and
2 manufactured goods used for projects and ac-
3 tivities carried out with a grant under this sec-
4 tion shall be produced in the United States.

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

8 (i) enforcing the requirement would be
9 inconsistent with the public interest;

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

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

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

23 (g) REPORT.—Not later than 3 years after the date
24 on which the Secretary establishes the grant program
25 under this section, the Secretary and the Secretary of

1 Labor shall submit to Congress a report on the effective-
2 ness of the grant program, including—

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

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

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

13 (A) in education or training activities; or

14 (B) employed;

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

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

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

24 (A) a description of the products pro-
25 moted; and

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

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

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

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

13 (h) FUNDING.—

14 (1) INITIAL FUNDING.—There is appropriated
15 to the Secretary, out of any funds in the Treasury
16 not otherwise appropriated, \$5,000,000,000 for each
17 of fiscal years 2026 and 2027 to carry out this sec-
18 tion, to remain available until expended.

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

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

2 (a) IN GENERAL.—Not later than January 1, 2029,
 3 the Administrator of the Environmental Protection Agen-
 4 cy (referred to in this section as the “Administrator”)
 5 shall seek to enter into an agreement with the National
 6 Academy of Sciences under which the National Academy
 7 of Sciences shall carry out a study not less frequently than
 8 once every 5 years to evaluate the effectiveness of the fees
 9 established under sections 4692 and 4693 of the Internal
 10 Revenue Code of 1986 in achieving the following goals:

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

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

15 (b) REQUIREMENTS.—In executing the agreement
 16 under subsection (a), the Administrator shall ensure that,
 17 in carrying out a study under that subsection, the Na-
 18 tional Academy of Sciences—

19 (1) includes an evaluation of—

20 (A) total annual greenhouse gas emissions
 21 by the United States, including greenhouse gas
 22 emissions not subject to the fees described in
 23 that subsection;

24 (B) the historic trends in the total green-
 25 house gas emissions evaluated under subpara-
 26 graph (A); and

1 (C) the impacts of the fees established
2 under sections 4692 and 4693 of the Internal
3 Revenue Code of 1986 on changes in the levels
4 of fossil fuel-related localized air pollutants in
5 environmental justice communities (as defined
6 in section 2(e)(1));

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

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

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

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

1 (i) at the current price path; and

2 (ii) above the current price path;

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

7 (E) the status and projections of
8 decarbonization in other major economies; and

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

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

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

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

24 (2) develop strategies for meeting that target;
25 and

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

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

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

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

○