

A Bill

The Environmental Transportation Tax Act

Whereas, for more than 25 years, the Government of The United States of America has levied a gasoline tax of 18.3 cents per gallon;

Whereas, currently, a significant percentage of the vehicles in the United States are using energy sources for propulsion other than gasoline, including electricity and natural gas;

Whereas, under current law, the gas tax is utilized to repair and construct federal roads and bridges;

Whereas, under current law, with the exception of diesel fuel, there is no dedicated tax on fuels used by vehicles other than gasoline, such as electricity and natural gas, to help fund repairs and construction of federal roads and bridges;

Whereas, many reputable sources believe that global warming is occurring, and that at least some of its cause is manmade activities;

Whereas, incentivizing cleaner fuels for vehicles by taxing them less than dirtier fuels should incentive greater production of by cleaner fuels relative to dirtier fuels, and cleaner-running vehicles relative to dirtier-running vehicles;

Whereas, not taxing fuels used by vehicles other than gasoline and diesel fuel to fund maintenance and construction of federal roads and bridges is inequitable;

Whereas, amending the gas tax to be an environmental energy tax, such that dirtier fuels pay a directly proportionate higher tax than cleaner fuels, based on relative harm done to the environment, should reduce inequity and incentive use of cleaner fuels; and

Whereas, fuel taxes have not been indexed for inflation, and Congress desires for the inflation provisions of the tax Code in general to be applied to fuel taxes other than fuel taxes on vehicles.

Therefore, in order to help achieve the objectives outlined above, effective January 1, 2022, Congress hereby amends the Internal Revenue Code, 26 U.S.C. § 1 *et seq.* (the “Code”), as follows.

(a) Clause (ii) of Subparagraph (A) of Paragraph (1) of Subsection (a) of §4081 is revised to read: “(ii) the removal of a taxable fuel from any terminal, storage facility, pipeline or generation facility.”

(b) Clause (i) of Subparagraph (A) of Paragraph (2) of Subsection (a) of §4081 is revised to read: “(i) in the case of a taxable fuel other than aviation gasoline and kerosene, the rate specified in Subparagraph (E).”

(c) Clause (iii) of Subparagraph (A) of Paragraph (2) of Subsection (a) of §4081 is revised to read: “(iii) in the case of kerosene, 24.3 cents per gallon.”

(d) A new Subparagraph (E) is added to Paragraph (2) of Subsection (a) of §4081, to read as follows:

(E) Variable rates based on relative harm to the environment

An annual appropriation will be made by Congress to fund construction and maintenance of federal roads and bridges. That appropriated amount will be reduced by any funds dedicated to funding construction or maintenance (or both) of federal roads or bridges (or both). The remaining dollar amount will be allocated as tax to the energy sources listed in clause (i) of Subparagraph (A), with amounts varying directly proportionately based on relative harm done to the environment by utilization of the fuel to propel vehicles, with fuels causing more harm bearing more tax than fuels causing less harm. Energy sources in a form other than a liquid or a gas will be traced to their sources of generation, to determine harm. Annually, using data for a full year that is less than two years old, the U.S. Department of Energy shall supply to the Treasury Department information specifying the environmentally detrimental effect of each energy source, exclusive of vehicle production, and the relative cleanliness of fuels. Such cleanliness analysis will trace non-liquid and non-gas (including electricity) fuels to their source of generation. The Treasury Department will use the information it receives to set tax rates, by units sold to the end consumer, for application in the next upcoming calendar year. Producers of non-liquid and non-gas fuels (including electricity) will be required to record and report to the Treasury Department, on a basis specified by the Treasury Department, the amount of fuel delivered to consumers for use by vehicles. For these purposes, any energy source is a fuel (and vice-versa).

(e) A new Subparagraph (F) is added to Paragraph (2) of Subsection (a) of §4081, to read as follows:

(F) Inflation Adjustments

The taxes described in Subparagraph (A) through Subparagraph (D), except the tax described in clause (i) of Subparagraph (A), will be annually increased to account for inflation, utilizing the Chained Consumer Price Index for All Urban Consumers (as published by the Bureau of Labor Statistics of the Department of Labor).

(f) Paragraph (1) of Subsection (d) of §4081 is revised by replacement of “clauses (i) and (iii)” with “clause (iii).”

(g) Paragraph (1) of Subsection (a) of §4083, defining “taxable fuel,” is revised by: (i) replacement of the period with a comma after Subparagraph (C); (ii) addition of a new Subparagraph (D), to read as follows: “(D) electricity that is used to propel a vehicle,”; (iii) addition of a new Subparagraph (E) and conjunction, to read as follows: “(E) natural gas that is used to propel a vehicle, and”; and (iv) addition of a new Subparagraph (F), to read as follows: “(F) any other fuel or energy source that is used to propel a vehicle.”

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