HR 4754

Managed Carbon Price Act of 2014

Congress: 113 (2013–2015, Ended)
Chamber: House
Policy Area: Taxation
Introduced: May 28, 2014
Current Status: Referred to the Subcommittee on Energy and Power.
Latest Action: Referred to the Subcommittee on Energy and Power. (May 30, 2014)
Official Text: https://www.congress.gov/bill/113th-congress/house-bill/4754

Sponsor

Name: Rep. McDermott, Jim [D-WA-7]
Party: Democratic • **State:** WA • **Chamber:** House

Cosponsors

No cosponsors are listed for this bill.

Committee Activity

Committee	Chamber	Activity	Date
Energy and Commerce Committee	House	Referred to	May 30, 2014
Ways and Means Committee	House	Referred To	May 28, 2014

Subjects & Policy Tags

Policy Area:

Taxation

Related Bills

No related bills are listed.

Summary (as of May 28, 2014)

Managed Carbon Price Act of 2014 - Amends the Internal Revenue Code to require covered persons (i.e., U.S. coal producers, oil refinery operators, first sellers of natural gas, and producers of other greenhouse gas [GHG] emission substances and importers of any GHG emission substance) to purchase a federal emission permit from the Secretary of the Treasury for the sale, combustion, or other use of such a substance. Exempts from such requirement use of a GHG emission substance: (1) as material in the production of another article by such person, or (2) for noncombustion agricultural purposes.

Requires the Secretary to impose a GHG emission permit equivalency fee on imports of carbon intensive goods.

Requires federal emission permits to be: (1) denominated in one-quarter carbon dioxide equivalents, and (2) purchased within 14 calendar days before or after a GHG emission substance is produced or entered into the United States.

Requires the Secretary to: (1) establish a price for obtaining a permit for a year based on a determination of the dollar amount necessary to meet specified emissions reductions targets, (2) publish a five-year price schedule for permits by January 1, 2016, for each of the five years from 2017 to 2021, and (3) publish a 10-year schedule of the minimum and maximum prices for permits by January 1, 2023, and every 10 years thereafter. Sets minimum prices. Authorizes the Secretary to reduce permit prices if target reductions are being exceeded and to increase such prices if target reductions are not being met.

Establishes emission reduction targets for 2015 through 2059 decreasing from 100% to 20% of the carbon dioxide equivalents emitted in the United States in 2005.

Requires the Secretary to report annually on: (1) the extent to which such limitations are being achieved, (2) GHG emission permits sold and their impact on GHG emissions, and (3) worldwide GHG emissions in relation to 2005 emissions.

Defines a "carbon dioxide equivalent" as the quantity of a GHG emission substance that makes the same contribution to global warming as one metric ton of carbon dioxide. Requires the Administrator to publish and update a schedule listing such quantity for each GHG emission substance.

Requires: (1) repayment of permit fees to specified permittees that use GHG emission substances in a manner that will make a negligible or no contribution to global warming, and (2) payment of the permit equivalency fees to exporters of carbon-intensive goods.

Imposes a tax on covered persons who fail to obtain a required permit.

Establishes the Energy and Economic Security Trust Fund into which revenue raised from permit sales shall be deposited. Requires the Fund to be used to pay monthly dividends to taxpayers and for deficit reduction.

Actions Timeline

- **May 30, 2014:** Referred to the Subcommittee on Energy and Power.
- **May 28, 2014:** Introduced in House
- **May 28, 2014:** Sponsor introductory remarks on measure. (CR E848)
- **May 28, 2014:** Referred to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

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