HR 601

Permanent Repeal of Oil Subsidies Act

Congress: 113 (2013–2015, Ended)
Chamber: House
Policy Area: Taxation
Introduced: Feb 8, 2013
Current Status: Referred to the Subcommittee on Energy and Mineral Resources.
Latest Action: Referred to the Subcommittee on Energy and Mineral Resources. (Feb 21, 2013)
Official Text: https://www.congress.gov/bill/113th-congress/house-bill/601

Sponsor

Name: Rep. Markey, Edward J. [D-MA-5]
Party: Democratic • **State:** MA • **Chamber:** Senate

Cosponsors (8 total)

Cosponsor	Party / State	Role	Date Joined
Rep. Blumenauer, Earl [D-OR-3]	D · OR		Feb 8, 2013
Rep. Chu, Judy [D-CA-27]	D · CA		Mar 14, 2013
Rep. Conyers, John, Jr. [D-MI-13]	D · MI		Mar 14, 2013
Rep. Ellison, Keith [D-MN-5]	D · MN		Mar 14, 2013
Rep. Keating, William R. [D-MA-9]	D · MA		Mar 14, 2013
Rep. Tsongas, Niki [D-MA-3]	D · MA		Mar 14, 2013
Rep. Kildee, Daniel T. [D-MI-5]	D · MI		Jun 6, 2013
Rep. Holt, Rush [D-NJ-12]	D · NJ		Jun 19, 2013

Committee Activity

Committee	Chamber	Activity	Date
Natural Resources Committee	House	Referred to	Feb 21, 2013
Ways and Means Committee	House	Referred To	Feb 8, 2013

Subjects & Policy Tags

Policy Area:

Taxation

Related Bills

Bill	Relationship	Last Action
113 HR 2956	Related bill	**Aug 9, 2013:** Referred to the Subcommittee on Energy and Mineral Resources.
113 HR 609	Related bill	**Feb 12, 2013:** Referred to the House Committee on Ways and Means.

Summary (as of Feb 8, 2013)

Permanent Repeal of Oil Subsidies Act - United States Exploration on Idle Tracts Act or USE IT Act - Directs the Secretary of the Interior to: (1) issue regulations establishing a graduated annual production incentive fee governing federal onshore and offshore lands subject to an oil or natural gas production lease but for which such production is not occurring, and (2) deposit the prescribed fee assessment into the general fund of the Treasury.

Deficit Reduction Through Fair Oil Royalties Act - Prohibits the Secretary from issuing new oil or natural gas production leases in the Gulf of Mexico under the Outer Continental Shelf Lands Act (OCSLA) to a person that does not renegotiate its existing leases in order to require royalty payments if oil and natural gas prices are greater than or equal to specified price thresholds.

Authorizes the Secretary, in the case of multiple lessees, to implement a separate agreement modifying payment responsibilities (including such price thresholds) with any lessee that owns a lease share. Prescribes analogous requirements for lease transfers.

Requires rentals or royalties received by the United States to be deposited in the Treasury for federal budget deficit reduction or, if there is no federal budget deficit, for reducing the federal debt.

Directs the Secretary to agree to a lessee's request to amend any lease issued for any Central and Western Gulf of Mexico tract in the period of January 1, 1996, through November 28, 2000, to incorporate price thresholds applicable to royalty suspension requirements that are equal to or less than the price thresholds specified under OCSLA.

No Free Inspections for Oil Companies Act - Amends the OCSLA to direct the Secretary to establish and collect nonrefundable facility inspection fees from operators of Outer Continental Shelf (OCS) facilities.

Establishes in the Treasury the Ocean Energy Enforcement Fund as depository for such fees.

Requires amounts collected by the Secretary to be credited as offsetting collections and to be made available for expenditure only for implementing inspections of OCS facilities (including mobile offshore drilling units) and for administration of the inspection program.

End Big Oil Tax Subsidies Act of 2013 - Amends the Internal Revenue Code, with respect to the amortization of geological and geophysical expenditures, to apply the special rule for major integrated oil companies to any covered large oil company with gross receipts exceeding $50 million for the taxable year.

Excepts any taxpayer with gross receipts exceeding $50 million for the taxable year from: (1) the requirement to include all items of gross income in gross income for the year, (2) the enhanced oil recovery credit, (3) the deduction for intangible drilling and development costs in the case of oil and gas wells, (4) the percentage oil depletion allowance, (5) the deduction for tertiary injectants, (6) passive activity losses and credits, and (7) the deduction for income attributable to domestic production activities.

Denies the use of last-in, first-out (LIFO) accounting for major integrated oil companies.

Prescribes a special rule for the treatment of foreign taxes paid by a dual capacity taxpayer that is a major integrated oil company.

Actions Timeline

- **Feb 21, 2013:** Referred to the Subcommittee on Energy and Mineral Resources.
- **Feb 8, 2013:** Introduced in House
- **Feb 8, 2013:** Referred to the Committee on Natural Resources, and in addition to the Committee on Ways and Means, 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.