

119TH CONGRESS  
1ST SESSION

# H. R. 4714

To eliminate certain subsidies for fossil-fuel production.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 23, 2025

Ms. OMAR (for herself, Ms. BARRAGÁN, Mr. KHANNA, Mr. CASAR, Mr. COHEN, Mr. ESPAILLAT, Mrs. FOUSHEE, Mr. FROST, Mr. GARCIA of California, Ms. JAYAPAL, Ms. MCCOLLUM, Ms. NORTON, Ms. OCASIO-CORTEZ, Ms. PINGREE, Mrs. RAMIREZ, Ms. SCANLON, Ms. SCHAKOWSKY, Ms. TLAIB, Ms. TOKUDA, Mr. TORRES of New York, and Mrs. WATSON COLEMAN) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Transportation and Infrastructure, Natural Resources, Science, Space, and Technology, Energy and Commerce, Agriculture, Appropriations, Financial Services, and Foreign Affairs, 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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## A BILL

To eliminate certain subsidies for fossil-fuel production.

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

### 3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “End Polluter Welfare  
5 Act of 2025”.

### 6 **SEC. 2. TABLE OF CONTENTS.**

7 The table of contents for this Act is as follows:

- Sec. 1. Short title.
- Sec. 2. Table of contents.

#### TITLE I—ELIMINATION OF FOSSIL FUEL SUBSIDIES

- Sec. 101. Definition of fossil fuel.
- Sec. 102. Royalty relief.
- Sec. 103. Royalties under Mineral Leasing Act.
- Sec. 104. Offshore oil and gas royalty rate.
- Sec. 105. Elimination of interest payments for royalty overpayments.
- Sec. 106. Removal of limits on liability for offshore facilities and pipeline operators.
- Sec. 107. Restrictions on use of appropriated funds by international financial institutions for projects that support fossil fuel.
- Sec. 108. Office of Fossil Energy and Carbon Management.
- Sec. 109. Loan Programs Office of the Department of Energy.
- Sec. 110. USDA assistance for carbon capture and storage systems.
- Sec. 111. Advanced Research Projects Agency—Energy.
- Sec. 112. Incentives for innovative technologies.
- Sec. 113. Rural Utility Service loan guarantees.
- Sec. 114. Prohibition on use of funds by the United States International Development Finance Corporation or the Export-Import Bank of the United States for financing projects, transactions, or other activities that support fossil fuel.
- Sec. 115. Transportation funds for grants, loans, loan guarantees, and other direct assistance.
- Sec. 116. Elimination of exclusion of certain lenders as owners or operators under CERCLA.

#### TITLE II—AMENDMENTS TO INTERNAL REVENUE CODE OF 1986

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

- Sec. 218. Increase in excise tax rate for funding of Black Lung Disability Trust Fund.
- Sec. 219. Elimination of renewable electricity production credit eligibility for refined coal.
- Sec. 220. Treatment of foreign oil related income as subpart F income.
- Sec. 221. Repeal of exclusion of foreign oil and gas extraction income from the determination of tested income.
- Sec. 222. Termination of credit for carbon oxide sequestration.
- Sec. 223. Eliminate drawbacks on petroleum taxes.
- Sec. 224. Modifying clean hydrogen production credit.

#### TITLE III—REPEAL RECENT FOSSIL FUEL SUBSIDY LEGISLATION

- Sec. 301. BUILDER Act.
- Sec. 302. Inflation Reduction Act.
- Sec. 303. One Big Beautiful Bill Act.
- Sec. 304. Repeal of disapproval of EPA rule relating to waste emissions charge for petroleum and natural gas systems.

#### TITLE IV—ELIMINATION OF OTHER FOSSIL FUEL SUBSIDIES

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

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

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

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

### 7   **SEC. 102. ROYALTY RELIEF.**

8           (a) IN GENERAL.—

9                 (1) OUTER CONTINENTAL SHELF LANDS ACT.—

10           Section 8(a)(3) of the Outer Continental Shelf  
11   Lands Act (43 U.S.C. 1337(a)(3)) is amended—

12                         (A) by striking subparagraph (B); and

13                         (B) by redesignating subparagraph (C) as  
14   subparagraph (B).

15                 (2) ENERGY POLICY ACT OF 2005.—

1 (A) INCENTIVES FOR NATURAL GAS PRO-  
 2 Duction FROM DEEP WELLS IN THE SHALLOW  
 3 WATERS OF THE GULF OF MEXICO.—Section  
 4 344 of the Energy Policy Act of 2005 (42  
 5 U.S.C. 15904) is repealed.

6 (B) DEEP WATER PRODUCTION.—Section  
 7 345 of the Energy Policy Act of 2005 (42  
 8 U.S.C. 15905) is repealed.

9 (3) CLERICAL AMENDMENT.—The table of con-  
 10 tents in section 1(b) of the Energy Policy Act of  
 11 2005 (Public Law 109–58; 119 Stat. 596) is amend-  
 12 ed by striking the items relating to sections 344 and  
 13 345.

14 (b) FUTURE PROVISIONS.—Notwithstanding any  
 15 other provision of law, royalty relief shall not be permitted  
 16 under a lease issued under section 8 of the Outer Conti-  
 17 nental Shelf Lands Act (43 U.S.C. 1337).

18 **SEC. 103. ROYALTIES UNDER MINERAL LEASING ACT.**

19 (a) COAL LEASES.—Section 7(a) of the Mineral  
 20 Leasing Act (30 U.S.C. 207(a)) is amended in the fourth  
 21 sentence by striking “12½ per centum” and inserting  
 22 “18¾ percent”.

23 (b) LEASES ON LAND ON WHICH OIL OR NATURAL  
 24 GAS IS DISCOVERED.—Section 14 of the Mineral Leasing  
 25 Act (30 U.S.C. 223) is amended in the fourth sentence

1 by striking “12½ per centum” and inserting “18¾ per-  
2 cent”.

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

6 (1) in subsection (b)—

7 (A) in paragraph (1)(A), in the fifth sen-  
8 tence, by striking “16⅔ percent” each place it  
9 appears and inserting “18¾ percent”; and

10 (B) in paragraph (2)(A)(ii), by striking  
11 “16⅔ per centum” and inserting “not less than  
12 18¾ percent”;

13 (2) in subsection (l), by striking “16⅔ per cen-  
14 tum” each place it appears and inserting “18¾ per-  
15 cent”; and

16 (3) in subsection (n)(1)(C), by striking “16⅔  
17 per centum” and inserting “not less than 18¾ per-  
18 cent”.

19 **SEC. 104. OFFSHORE OIL AND GAS ROYALTY RATE.**

20 Section 8(a)(1) of the Outer Continental Shelf Lands  
21 Act (43 U.S.C. 1337(a)(1)) is amended by striking “16⅔  
22 percent, but not more than 18¾ percent, during the 10-  
23 year period beginning on the date of enactment of the Act  
24 titled ‘An Act to provide for reconciliation pursuant to title  
25 II of S. Con. Res. 14’, and not less than 16⅔ percent

1 thereafter,” each place it appears and inserting “18¾ per-  
 2 cent,”.

3 **SEC. 105. ELIMINATION OF INTEREST PAYMENTS FOR ROY-**  
 4 **ALTY OVERPAYMENTS.**

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

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

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

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

15 (1) in paragraph (3), by striking “plus  
 16 \$75,000,000; and” and inserting “and the liability  
 17 of the responsible party under section 1002;”;

18 (2) in paragraph (4)—

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

23 (B) by striking the period at the end and  
 24 inserting “; and”; and

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

1 “(5) for any onshore facility transporting di-  
 2 luted bitumen, bituminous mixtures, or any oil man-  
 3 ufactured from bitumen, the liability of the respon-  
 4 sible party under section 1002.”.

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

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

12 (1) each institution described in section 1701(c)  
 13 of the International Financial Institutions Act (22  
 14 U.S.C. 262r(c)); and

15 (2) the North American Development Bank.

16 (b) RESCISSION OF UNOBLIGATED FUNDS.—

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

24 (2) AMOUNT SPECIFIED.—The amount specified  
 25 in this paragraph is an amount the Secretary of the

1 Treasury determines to be equivalent to the amount  
2 of support provided by an international financial in-  
3 stitution described in paragraph (1) for a project  
4 that supports the production or use of fossil fuels.

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

12 **SEC. 108. OFFICE OF FOSSIL ENERGY AND CARBON MAN-**  
13 **AGEMENT.**

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

19 (b) RESCISSION.—Notwithstanding any other provi-  
20 sion of law—

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



1           (2) no amounts made available after the date of  
2       enactment of this Act for the Office of Fossil En-  
3       ergy and Carbon Management shall be expended,  
4       other than such amounts as are necessary to cover  
5       costs incurred in terminating ongoing research of  
6       the Office of Fossil Energy and Carbon Manage-  
7       ment, as determined by the Secretary of Energy, in  
8       consultation with other appropriate Federal agen-  
9       cies.

10 **SEC. 109. LOAN PROGRAMS OFFICE OF THE DEPARTMENT**  
11 **OF ENERGY.**

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

17       (b) EXCEPTION.—The prohibition on the use of funds  
18 for hydrogen projects under subsection (a) does not apply  
19 to projects that support qualified clean hydrogen (as de-  
20 fined in section 45V(c) of the Internal Revenue Code of  
21 1986 (as amended by section 224(a)(3))).

1 **SEC. 110. USDA ASSISTANCE FOR CARBON CAPTURE AND**  
2 **STORAGE SYSTEMS.**

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

6 (1) by inserting “and” after “renewable energy  
7 systems,”; and

8 (2) by striking “and carbon capture and stor-  
9 age systems,”.

10 **SEC. 111. ADVANCED RESEARCH PROJECTS AGENCY—EN-**  
11 **ERGY.**

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

15 **SEC. 112. INCENTIVES FOR INNOVATIVE TECHNOLOGIES.**

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

18 (1) in subsection (b)—

19 (A) by striking paragraphs (2) and (10);  
20 and

21 (B) by redesignating paragraphs (3), (4),  
22 (5), (6), (7), (8), (9), (11), (12), and (13) as  
23 paragraphs (2), (3), (4), (5), (6), (7), (8), (9),  
24 (10), and (11) respectively;

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

1 (3) by redesignating subsections (d) through (f)  
2 as subsections (c) through (e), respectively.

3 (b) CONFORMING AMENDMENT.—Section 1704 of the  
4 Energy Policy Act of 2005 (42 U.S.C. 16514) is amend-  
5 ed—

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

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

9 **SEC. 113. RURAL UTILITY SERVICE LOAN GUARANTEES.**

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

15 **SEC. 114. PROHIBITION ON USE OF FUNDS BY THE UNITED**  
16 **STATES INTERNATIONAL DEVELOPMENT FI-**  
17 **NANCE CORPORATION OR THE EXPORT-IM-**  
18 **PORT BANK OF THE UNITED STATES FOR FI-**  
19 **NANCING PROJECTS, TRANSACTIONS, OR**  
20 **OTHER ACTIVITIES THAT SUPPORT FOSSIL**  
21 **FUEL.**

22 Notwithstanding any other provision of law, no  
23 amounts appropriated or otherwise made available for the  
24 United States International Development Finance Cor-  
25 poration, the Export-Import Bank of the United States,

1 the United States Trade and Development Agency, the  
2 United States Agency for International Development, or  
3 the Millennium Challenge Corporation that are available  
4 for obligation on or after the date of enactment of this  
5 Act may be obligated or expended to support any project,  
6 transaction, or other activity that supports the production  
7 or use of fossil fuels.

8 **SEC. 115. TRANSPORTATION FUNDS FOR GRANTS, LOANS,**  
9 **LOAN GUARANTEES, AND OTHER DIRECT AS-**  
10 **SISTANCE.**

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

17 **SEC. 116. ELIMINATION OF EXCLUSION OF CERTAIN LEND-**  
18 **ERS AS OWNERS OR OPERATORS UNDER**  
19 **CERCLA.**

20 Section 101(20)(F) of the Comprehensive Environ-  
21 mental Response, Compensation, and Liability Act of  
22 1980 (42 U.S.C. 9601(20)(F)) is amended by adding at  
23 the end the following:

1 “(iii) INELIGIBLE LENDERS.—The ex-  
2 clusions under clauses (i) and (ii) shall not  
3 apply to a person that is a lender that is—

4 “(I) an investment company reg-  
5 istered under the Investment Com-  
6 pany Act of 1940 (15 U.S.C. 80a–1 et  
7 seq.), an investment adviser (as de-  
8 fined in section 202(a) of the Invest-  
9 ment Advisers Act of 1940 (15 U.S.C.  
10 80b–2(a))), or a broker or dealer (as  
11 those terms are defined in section  
12 3(a) of the Securities Exchange Act of  
13 1934 (15 U.S.C. 78c(a))) with  
14 \$250,000,000,000 or more in assets  
15 under management; or

16 “(II) a bank holding company (as  
17 defined in section 2 of the Bank Hold-  
18 ing Company Act of 1956 (12 U.S.C.  
19 1841)) with \$10,000,000,000 or more  
20 in total consolidated assets.”.

1 **TITLE II—AMENDMENTS TO IN-**  
2 **TERNAL REVENUE CODE OF**  
3 **1986**

4 **SEC. 201. TERMINATION OF VARIOUS TAX EXPENDITURES**  
5 **RELATING TO FOSSIL FUELS.**

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

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

11 “(a) IN GENERAL.—The following provisions shall  
12 not apply to taxable years beginning after the date of the  
13 enactment of the End Polluter Welfare Act of 2025:

14 “(1) Section 43 (relating to enhanced oil recov-  
15 ery credit).

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

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

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

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

1       “(b) PROVISIONS RELATING TO PROPERTY.—The  
2 following provisions shall not apply to property placed in  
3 service after the date of the enactment of the End Polluter  
4 Welfare Act of 2025:

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

7           “(2) Section 169 (relating to amortization of  
8 pollution control facilities) with respect to any at-  
9 mospheric pollution control facility.

10       “(c) PROVISIONS RELATING TO COSTS AND EX-  
11 PENSES.—The following provisions shall not apply to costs  
12 or expenses paid or incurred after the date of the enact-  
13 ment of the End Polluter Welfare Act of 2025:

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

17           “(2) Section 468 (relating to special rules for  
18 mining and solid waste reclamation and closing  
19 costs).

20       “(d) ALLOCATED CREDITS.—No new credits shall be  
21 certified under section 48A (relating to qualifying ad-  
22 vanced coal project credit) after the date of the enactment  
23 of the End Polluter Welfare Act of 2025.

24       “(e) ARBITRAGE BONDS.—Section 148(b)(4) (relat-  
25 ing to safe harbor for prepaid natural gas) shall not apply

1 to obligations issued after the date of the enactment of  
2 the End Polluter Welfare Act of 2025.”.

3 (b) CONFORMING AMENDMENTS.—

4 (1) Section 613(d) of the Internal Revenue  
5 Code of 1986 is amended by striking “Except as  
6 provided in section 613A, in the case” and inserting  
7 “In the case”.

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

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

11 **SEC. 202. TERMINATION OF CERTAIN DEDUCTIONS AND**  
12 **CREDITS RELATED TO FOSSIL FUELS.**

13 (a) SPECIAL ALLOWANCE FOR CERTAIN PROP-  
14 ERTY.—Section 168(k) of the Internal Revenue Code of  
15 1986 is amended by adding at the end the following:

16 “(11) FOSSIL FUEL PROPERTY.—

17 “(A) IN GENERAL.—This subsection shall  
18 not apply with respect to any property which is  
19 primarily used for fossil fuel activities and is  
20 placed in service during any taxable year begin-  
21 ning after the date of the enactment of the End  
22 Polluter Welfare Act of 2025.

23 “(B) FOSSIL FUEL ACTIVITIES.—For pur-  
24 poses of this paragraph, the term ‘fossil fuel ac-  
25 tivities’ means the exploration, development,



1 mining or production, processing, refining,  
 2 transportation (including pipelines transporting  
 3 gas, oil, or products thereof), distribution, or  
 4 marketing of coal, petroleum, natural gas, or  
 5 any derivative of coal, petroleum, or natural gas  
 6 that is used for fuel.

7 “(C) EXCEPTION.—The property described  
 8 in subparagraph (A) shall not include any  
 9 motor vehicle service station or convenience  
 10 store which does not qualify as a retail motor  
 11 fuels outlet under subsection (e)(3)(E)(iii).”.

12 (b) QUALIFIED BUSINESS INCOME.—Section  
 13 199A(c)(3)(B) of the Internal Revenue Code of 1986 is  
 14 amended by adding at the end the following:

15 “(viii) Any item of gain or loss de-  
 16 rived from fossil fuel activities (as defined  
 17 in section 168(k)(11)(B)) during any tax-  
 18 able year beginning after the date of the  
 19 enactment of the End Polluter Welfare Act  
 20 of 2025.”.

21 (c) CREDIT FOR INCREASING RESEARCH ACTIVI-  
 22 TIES.—Section 41(d)(4) of the Internal Revenue Code of  
 23 1986 is amended by adding at the end the following:

24 “(I) FOSSIL FUEL ACTIVITIES.—Any re-  
 25 search related to fossil fuel activities (as defined

1 in section 168(k)(11)(B)) which is conducted  
2 after the date of the enactment of the End Pol-  
3 luter Welfare Act of 2025.”.

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

7 “(V) any income derived from  
8 fossil fuel activities (as defined in sec-  
9 tion 168(k)(11)(B)) during any tax-  
10 able year beginning after the date of  
11 the enactment of the End Polluter  
12 Welfare Act of 2025, and”.

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

17 “(2) EXCEPTIONS.—This subsection shall not  
18 apply to—

19 “(A) any exchange of real property held  
20 primarily for sale, or

21 “(B) any exchange of real property  
22 which—

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

1 “(ii) occurs after the date of the en-  
2 actment of the End Polluter Welfare Act  
3 of 2025.”.

4 **SEC. 203. UNIFORM SEVEN-YEAR AMORTIZATION FOR GEO-**  
5 **LOGICAL AND GEOPHYSICAL EXPENDITURES.**

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

8 (1) by striking “24-month period” each place it  
9 appears in paragraphs (1) and (4) and inserting  
10 “84-month period”,

11 (2) by striking paragraph (2) and inserting the  
12 following:

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

17 (3) by striking paragraph (5).

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

21 **SEC. 204. NATURAL GAS GATHERING LINES TREATED AS 15-**  
22 **YEAR PROPERTY.**

23 (a) IN GENERAL.—Section 168(e)(3)(E) of the Inter-  
24 nal Revenue Code of 1986 is amended by striking “and”  
25 at the end of clause (vi), by striking the period at the end

1 of clause (vii) and inserting “, and”, and by adding at  
 2 the end the following new clause:

3 “(viii) any natural gas gathering line  
 4 the original use of which commences with  
 5 the taxpayer after the date of the enact-  
 6 ment of this clause.”.

7 (b) ALTERNATIVE SYSTEM.—The table contained in  
 8 section 168(g)(3)(B) of the Internal Revenue Code of  
 9 1986 is amended by inserting after the item relating to  
 10 subparagraph (E)(vii) the following new item:

“(E)(viii) ..... 22”.

11 (c) CONFORMING AMENDMENT.—Clause (iv) of sec-  
 12 tion 168(e)(3)(C) of the Internal Revenue Code of 1986  
 13 is amended by inserting “and on or before the date of the  
 14 enactment of the End Polluter Welfare Act of 2025” after  
 15 “April 11, 2005”.

16 (d) EFFECTIVE DATE.—

17 (1) IN GENERAL.—The amendments made by  
 18 this section shall apply to property placed in service  
 19 on and after the date of the enactment of this Act.

20 (2) EXCEPTION.—The amendments made by  
 21 this section shall not apply to any property with re-  
 22 spect to which the taxpayer or a related party has  
 23 entered into a binding contract for the construction  
 24 thereof on or before the date of the introduction of

1       this Act, or, in the case of self-constructed property,  
2       has started construction on or before such date.

3   **SEC. 205. TERMINATION OF LAST-IN, FIRST-OUT METHOD**  
4                   **OF INVENTORY FOR OIL, NATURAL GAS, AND**  
5                   **COAL COMPANIES.**

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

9       “(h) TERMINATION FOR OIL, NATURAL GAS, AND  
10   COAL COMPANIES.—Subsection (a) shall not apply to any  
11   taxpayer that is in the trade or business of the production,  
12   refining, processing, transportation, or distribution of oil,  
13   natural gas, or coal for any taxable year beginning after  
14   the date of enactment of the End Polluter Welfare Act  
15   of 2025.”.

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

19       “(h) TERMINATION FOR OIL, NATURAL GAS, AND  
20   COAL COMPANIES.—This section shall not apply to any  
21   taxpayer that is in the trade or business of the production,  
22   refining, processing, transportation, or distribution of oil,  
23   natural gas, or coal for any taxable year beginning after  
24   the date of enactment of the End Polluter Welfare Act  
25   of 2025.”.

1 (c) CHANGE IN METHOD OF ACCOUNTING.—In the  
 2 case of any taxpayer required by the amendments made  
 3 by this section to change its method of accounting for its  
 4 first taxable year beginning after the date of enactment  
 5 of this Act—

6 (1) such change shall be treated as initiated by  
 7 the taxpayer, and

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

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

13 **SEC. 206. REPEAL OF PERCENTAGE DEPLETION FOR COAL**  
 14 **AND HARD MINERAL FOSSIL FUELS.**

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

18 “(f) TERMINATION WITH RESPECT TO COAL AND  
 19 HARD MINERAL FOSSIL FUELS.—In the case of coal, lig-  
 20 nite, and oil shale (other than oil shale described in sub-  
 21 section (b)(5)), the allowance for depletion shall be com-  
 22 puted without reference to this section for any taxable  
 23 year beginning after the date of the enactment of the End  
 24 Polluter Welfare Act of 2025.”.

25 (b) CONFORMING AMENDMENTS.—

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

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

6           “(2) 15 PERCENT.—If, from deposits in the  
 7           United States, gold, silver, copper, and iron ore.”.

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

11   **SEC. 207. TERMINATION OF CAPITAL GAINS TREATMENT**  
 12                           **FOR ROYALTIES FROM COAL.**

13          (a) IN GENERAL.—Subsection (c) of section 631 of  
 14          the Internal Revenue Code of 1986 is amended—

15               (1) by striking “coal (including lignite), or iron  
 16               ore” and inserting “iron ore”,

17               (2) by striking “coal or iron ore” each place it  
 18               appears and inserting “iron ore”,

19               (3) by striking “iron ore or coal” each place it  
 20               appears and inserting “iron ore”, and

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

22          (b) CONFORMING AMENDMENTS.—

23               (1) The heading of section 631 of the Internal  
 24               Revenue Code of 1986 is amended by striking “,  
 25               **COAL,**”.

1           (2) Section 1231(b)(2) of such Code is amend-  
2           ed by striking “, coal,”.

3           (c) EFFECTIVE DATE.—The amendments made by  
4 this section shall apply to dispositions after the date of  
5 the enactment of this Act.

6 **SEC. 208. MODIFICATIONS OF FOREIGN TAX CREDIT RULES**

7                   **APPLICABLE TO OIL AND GAS INDUSTRY TAX-**  
8                   **PAYERS RECEIVING SPECIFIC ECONOMIC**  
9                   **BENEFITS.**

10          (a) IN GENERAL.—Section 901 of the Internal Rev-  
11 enue Code of 1986 is amended by redesignating subsection  
12 (n) as subsection (o) and by inserting after subsection (m)  
13 the following new subsection:

14          “(n) SPECIAL RULES RELATING TO DUAL CAPACITY  
15 TAXPAYERS.—

16               “(1) GENERAL RULE.—Notwithstanding any  
17 other provision of this chapter, any amount paid or  
18 accrued to a foreign country or possession of the  
19 United States for any period by a dual capacity tax-  
20 payer which is in the trade or business of the pro-  
21 duction, refining, processing, transportation, or dis-  
22 tribution of fossil fuel shall not be considered a  
23 tax—



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

4           “(B) to the extent such amount exceeds  
5           the amount (determined in accordance with reg-  
6           ulations) which—

7                   “(i) is paid by such dual capacity tax-  
8                   payer pursuant to the generally applicable  
9                   income tax imposed by the country or pos-  
10                  session, or

11                   “(ii) would be paid if no amount other  
12                   than the amount required to be paid by  
13                   such taxpayer under the generally applica-  
14                   ble income tax imposed by the country or  
15                   possession were paid or accrued by such  
16                   dual capacity taxpayer.

17           Nothing in this paragraph shall be construed to  
18           imply the proper treatment of any such amount  
19           not in excess of the amount determined under  
20           subparagraph (B).

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

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

3           “(B) receives (or will receive) directly or  
4           indirectly a specific economic benefit (as deter-  
5           mined in accordance with regulations) from  
6           such country or possession.

7           “(3) GENERALLY APPLICABLE INCOME TAX.—  
8           For purposes of this subsection—

9           “(A) IN GENERAL.—The term ‘generally  
10          applicable income tax’ means an income tax (or  
11          a series of income taxes) which is generally im-  
12          posed under the laws of a foreign country or  
13          possession on income derived from the conduct  
14          of a trade or business within such country or  
15          possession.

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

19                 “(i) persons who are not dual capacity  
20                 taxpayers, and

21                 “(ii) persons who are—

22                         “(I) citizens or residents of the  
23                         foreign country or possession, or

1 “(II) organized or incorporated  
 2 under the laws of the foreign country  
 3 or possession.

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

8 (b) EFFECTIVE DATE.—The amendments made by  
 9 this section shall apply to taxes paid or accrued in taxable  
 10 years beginning after the date of the enactment of this  
 11 Act.

12 (c) SPECIAL RULE FOR TREATIES.—Notwith-  
 13 standing sections 894 or 7852(d) of the Internal Revenue  
 14 Code of 1986, the amendments made by this section shall  
 15 apply without regard to any treaty obligation of the  
 16 United States.

17 **SEC. 209. INCREASE IN OIL SPILL LIABILITY TRUST FUND**  
 18 **FINANCING RATE.**

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

21 (1) in subsection (c)(2)(B)—

22 (A) in clause (i), by striking “and” at the  
 23 end,

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

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

2 “(iii) in the case of crude oil received  
3 or petroleum products entered after De-  
4 cember 31, 2025, 10 cents a barrel.”, and

5 (2) by striking subsection (f) and inserting the  
6 following:

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

15 (b) EFFECTIVE DATE.—The amendments made by  
16 this section shall apply to crude oil received and petroleum  
17 products entered after December 31, 2025.

18 **SEC. 210. APPLICATION OF CERTAIN ENVIRONMENTAL**  
19 **TAXES TO SYNTHETIC CRUDE OIL.**

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

23 “(1) CRUDE OIL.—

1                   “(A) IN GENERAL.—The term ‘crude oil’  
 2 includes crude oil condensates, natural gasoline,  
 3 and synthetic crude oil.

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

7                   “(i) any bitumen and bituminous mix-  
 8 tures,

9                   “(ii) any oil derived from bitumen and  
 10 bituminous mixtures (including oil derived  
 11 from tar sands),

12                   “(iii) any liquid fuel derived from  
 13 coal, and

14                   “(iv) any oil derived from kerogen-  
 15 bearing sources (including oil derived from  
 16 oil shale).”.

17           (b) REGULATORY AUTHORITY TO ADDRESS OTHER  
 18 TYPES OF CRUDE OIL AND PETROLEUM PRODUCTS.—  
 19 Subsection (a) of section 4612 of the Internal Revenue  
 20 Code of 1986 is amended by adding at the end the fol-  
 21 lowing:

22                   “(10) REGULATORY AUTHORITY TO ADDRESS  
 23 OTHER TYPES OF CRUDE OIL AND PETROLEUM  
 24 PRODUCTS.—Under such regulations as the Sec-  
 25 retary may prescribe, the Secretary may include as

1 crude oil or as a petroleum product subject to tax  
 2 under section 4611, any fuel feedstock or finished  
 3 fuel product customarily transported by pipeline,  
 4 vessel, railcar, or tanker truck if the Secretary deter-  
 5 mines that—

6 “(A) the classification of such fuel feed-  
 7 stock or finished fuel product is consistent with  
 8 the definition of oil under the Oil Pollution Act  
 9 of 1990, and

10 “(B) such fuel feedstock or finished fuel  
 11 product is produced in sufficient commercial  
 12 quantities as to pose a significant risk of haz-  
 13 ard in the event of a discharge.”.

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

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

21 **SEC. 211. DENIAL OF DEDUCTION FOR REMOVAL COSTS**  
 22 **AND DAMAGES FOR CERTAIN OIL SPILLS.**

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

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

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

5           “(5) EXPENSES FOR REMOVAL COSTS AND  
6       DAMAGES RELATING TO CERTAIN OIL SPILL LIABIL-  
7       ITY.—Notwithstanding paragraphs (2) and (3), no  
8       deduction shall be allowed under this chapter for any  
9       costs or damages for which the taxpayer is liable  
10      under section 1002 of the Oil Pollution Act of 1990  
11      (33 U.S.C. 2702)”.

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

16      **SEC. 212. TAX ON CRUDE OIL AND NATURAL GAS PRO-**  
17                           **DUCED FROM THE OUTER CONTINENTAL**  
18                           **SHELF IN THE GULF OF MEXICO.**

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

1 **“CHAPTER 56—TAX ON SEVERANCE OF**  
2 **CRUDE OIL AND NATURAL GAS FROM**  
3 **THE OUTER CONTINENTAL SHELF IN**  
4 **THE GULF OF MEXICO**

“Sec. 5901. Imposition of tax.

“Sec. 5902. Taxable crude oil or natural gas and removal price.

“Sec. 5903. Special rules and definitions.

5 **“SEC. 5901. IMPOSITION OF TAX.**

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

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

12 “(1) IN GENERAL.—There shall be allowed as a  
13 credit against the tax imposed by subsection (a) with  
14 respect to the production of any taxable crude oil or  
15 natural gas an amount equal to the aggregate  
16 amount of royalties paid under Federal law with re-  
17 spect to such production.

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



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

4       **“SEC. 5902. TAXABLE CRUDE OIL OR NATURAL GAS AND RE-**  
 5                   **MOVAL PRICE.**

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

13       “(b) REMOVAL PRICE.—For purposes of this chap-  
 14 ter—

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

18                   “(A) in the case of taxable crude oil, the  
 19 amount for which a barrel of such crude oil is  
 20 sold, and

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

24       “(2) SALES BETWEEN RELATED PERSONS.—In  
 25 the case of a sale between related persons, the re-

1 removal price shall not be less than the constructive  
2 sales price for purposes of determining gross income  
3 from the property under section 613.

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

10 “(4) REFINING BEGUN ON PROPERTY.—If the  
11 manufacture or conversion of crude oil into refined  
12 products begins before such oil is removed from the  
13 property—

14 “(A) such oil shall be treated as removed  
15 on the day such manufacture or conversion be-  
16 gins, and

17 “(B) the removal price shall be the con-  
18 structive sales price for purposes of determining  
19 gross income from the property under section  
20 613.

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

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

24 “(a) ADMINISTRATIVE REQUIREMENTS.—

1           “(1) WITHHOLDING AND DEPOSIT OF TAX.—

2           The Secretary shall provide for the withholding and  
3           deposit of the tax imposed under section 5901 on a  
4           quarterly basis.

5           “(2) RECORDS AND INFORMATION.—Each tax-

6           payer liable for tax under section 5901 shall keep  
7           such records, make such returns, and furnish such  
8           information (to the Secretary and to other persons  
9           having an interest in the taxable crude oil or natural  
10          gas) with respect to such oil as the Secretary may  
11          by regulations prescribe.

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

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

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

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

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

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

1           “(3) PREMISES AND CRUDE OIL PRODUCT.—

2           The terms ‘premises’ and ‘crude oil product’ have  
3           the same meanings as when used for purposes of de-  
4           termining gross income from the property under sec-  
5           tion 613.

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

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

14          (b) DEDUCTIBILITY OF TAX.—The first sentence of  
15          section 164(a) of the Internal Revenue Code of 1986 is  
16          amended by inserting after paragraph (4) the following  
17          new paragraph:

18                 “(5) The tax imposed by section 5901(a) (after  
19                 application of section 5901(b)) on the severance of  
20                 crude oil or natural gas from the outer Continental  
21                 Shelf in the Gulf of Mexico.”.

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

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

1 (d) EFFECTIVE DATE.—The amendments made by  
 2 this section shall apply to crude oil or natural gas removed  
 3 after December 31, 2025.

4 **SEC. 213. REPEAL OF CORPORATE INCOME TAX EXEMP-**  
 5 **TION FOR PUBLICLY TRADED PARTNERSHIPS**  
 6 **WITH QUALIFYING INCOME AND GAINS FROM**  
 7 **ACTIVITIES RELATING TO FOSSIL FUELS.**

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

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

16 **SEC. 214. AMORTIZATION OF QUALIFIED TERTIARY**  
 17 **INJECTANT EXPENSES.**

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

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

22 “(a) AMORTIZATION OF QUALIFIED TERTIARY  
 23 INJECTANT EXPENSES.—

24 “(1) IN GENERAL.—Any qualified tertiary  
 25 injectant expenses paid or incurred by the taxpayer

1 shall be allowed as a deduction ratably over the 84-  
 2 month period beginning on the date that such ex-  
 3 pense was paid or incurred.

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

8 (2) by striking subsection (c) and inserting the  
 9 following:

10 “(c) EXCLUSIVE METHOD.—Except as provided in  
 11 this section, no depreciation or amortization deduction  
 12 shall be allowed with respect to qualified tertiary injectant  
 13 expenses.”.

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

18 **SEC. 215. AMORTIZATION OF DEVELOPMENT EXPENDI-**  
 19 **TURES.**

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

22 **“SEC. 616. AMORTIZATION OF DEVELOPMENT EXPENDI-**  
 23 **TURES.**

24 “(a) IN GENERAL.—Any expenditures paid or in-  
 25 curred for the development of a mine or other natural de-

1 posit (other than an oil or gas well) if paid or incurred  
2 after the existence of ores or minerals in commercially  
3 marketable quantities has been disclosed shall be allowed  
4 as a deduction ratably over the 84-month period beginning  
5 on the date that such expenditure was paid or incurred.

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

10 “(c) EXCLUSIVE METHOD.—Except as provided in  
11 this section, no depreciation or amortization deduction  
12 shall be allowed with respect to expenditures described in  
13 subsection (a).

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

22 (b) CONFORMING AMENDMENTS.—

23 (1) The item relating to section 616 in the table  
24 of sections for part I of subchapter I of chapter 1

1 of the Internal Revenue Code of 1986 is amended to  
2 read as follows:

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

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

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

6 (A) in paragraph (2)—

7 (i) in subparagraph (C), by inserting  
8 “or” at the end,

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

10 (iii) by redesignating subparagraph  
11 (E) as subparagraph (D), and

12 (B) in paragraph (5)(A), by striking “,  
13 616(a),”.

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

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

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

19 (A) in paragraph (1)(B), by striking  
20 “616(a) or”,

21 (B) in paragraph (2), by striking “,  
22 616(a),”, and

23 (C) in paragraph (3), by striking “,  
24 616(a),”.



1           (7) Section 312(n)(2)(B) of such Code is  
2       amended by striking “616(a) or”.

3           (8) Section 381(c) of such Code is amended by  
4       striking paragraph (10).

5           (9) Section 1016(a) of such Code is amended  
6       by striking paragraph (9).

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

9       (c) EFFECTIVE DATE.—The amendments made by  
10 this section shall apply to expenditures paid or incurred  
11 in taxable years beginning after the date of the enactment  
12 of this Act.

13 **SEC. 216. AMORTIZATION OF CERTAIN MINING EXPLO-**  
14 **RATION EXPENDITURES.**

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

17 **“SEC. 617. AMORTIZATION OF CERTAIN MINING EXPLO-**  
18 **RATION EXPENDITURES.**

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

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

5       “(c) EXCLUSIVE METHOD.—Except as provided in  
6 this section, no depreciation or amortization deduction  
7 shall be allowed with respect to expenditures described in  
8 subsection (a).

9       “(d) TREATMENT UPON ABANDONMENT.—If any  
10 property with respect to which expenditures described in  
11 subsection (a) are paid or incurred is retired or abandoned  
12 during the 84-month period described in such subsection,  
13 no deduction shall be allowed on account of such retire-  
14 ment or abandonment and the amortization deduction  
15 under this section shall continue with respect to such pay-  
16 ment.”.

17       (b) CONFORMING AMENDMENTS.—

18               (1) The item relating to section 617 in the table  
19 of sections for part I of subchapter I of chapter 1  
20 of the Internal Revenue Code of 1986 is amended to  
21 read as follows:

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

22               (2) Section 56(a) of such Code, as amended by  
23 section 215(b)(2), is amended by striking paragraph  
24 (2).

1           (3) Section 59(e) of such Code, as amended by  
2       section 215(b)(3), is amended—

3           (A) in paragraph (2)—

4               (i) in subparagraph (B), by inserting  
5       “or” at the end,

6               (ii) in subparagraph (C), by striking  
7       the comma at the end and inserting a pe-  
8       riod, and

9               (iii) by striking subparagraph (D),  
10       and

11           (B) by striking paragraph (5) and insert-  
12       ing the following:

13           “(5) DISPOSITIONS.—In the case of any dis-  
14       position of property to which section 1254 applies  
15       (determined without regard to this section), any de-  
16       duction under paragraph (1) with respect to  
17       amounts which are allocable to such property shall,  
18       for purposes of section 1254, be treated as a deduc-  
19       tion allowable under section 263(c).”.

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

21               (A) in paragraph (1), by striking  
22       “617(d)(1),” and

23               (B) in paragraph (3)(D), by striking  
24       “617,”.

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

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

6           (A) in the heading, by striking “AND MIN-  
 7       ERAL EXPLORATION AND DEVELOPMENT  
 8       COSTS”,

9           (B) by striking paragraph (1) and insert-  
 10       ing the following:

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

16           (C) in paragraph (2), by striking “or  
 17       617(a) (as the case may be)”, and

18           (D) in paragraph (3), by striking “or  
 19       617(a) (whichever is appropriate)”.

20           (7) Section 312(n), as amended by section  
 21       215(b)(7), is amended by striking paragraph (2) and  
 22       inserting the following:

23           “(2) INTANGIBLE DRILLING COSTS.—Any  
 24       amount allowable as a deduction under section  
 25       263(c) in determining taxable income (other than

1 costs incurred in connection with a nonproductive  
2 well)—

3 “(A) shall be capitalized, and

4 “(B) shall be allowed as a deduction rat-  
5 ably over the 60-month period beginning with  
6 the month in which such amount was paid or  
7 incurred.”.

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

9 (A) in paragraph (1), by adding “or” at  
10 the end,

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

12 (C) by redesignating paragraph (3) as  
13 paragraph (2).

14 (9) Section 751(c) of such Code is amended—

15 (A) by inserting “, as in effect on the day  
16 before the date of the enactment of the End  
17 Polluter Welfare Act of 2025” after “section  
18 617(f)(2)”, and

19 (B) by striking “617(d)(1),”.

20 (10) Section 1254(a)(1)(A)(i) of such Code, as  
21 amended by section 215(b)(10), is amended by strik-  
22 ing “or 617”.

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

1           “(2) EXCEPTION.—In the case of an S corpora-  
 2           tion, elections under section 901 (relating to taxes of  
 3           foreign countries and possessions of the United  
 4           States) shall be made by each shareholder sepa-  
 5           rately.”.

6           (c) EFFECTIVE DATE.—The amendments made by  
 7           this section shall apply to expenditures paid or incurred  
 8           in taxable years beginning after the date of the enactment  
 9           of this Act.

10   **SEC. 217. AMORTIZATION OF INTANGIBLE DRILLING AND**  
 11                           **DEVELOPMENT COSTS IN THE CASE OF OIL**  
 12                           **AND GAS WELLS.**

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

16           “(c) INTANGIBLE DRILLING AND DEVELOPMENT  
 17           COSTS IN THE CASE OF OIL AND GAS WELLS AND GEO-  
 18           THERMAL WELLS.—

19           “(1) GEOTHERMAL WELLS.—Notwithstanding  
 20           subsection (a), and except as provided in subsection  
 21           (i), a taxpayer may elect to deduct as expenses in-  
 22           tangible drilling and development costs in the case  
 23           of wells drilled for any geothermal deposit (as de-  
 24           fined in section 613(e)(2)) in such manner as the  
 25           Secretary provides. This subsection shall not apply

1 with respect to any costs to which any deduction is  
2 allowed under section 59(e).

3 “(2) OIL AND GAS WELLS.—Notwithstanding  
4 subsection (a), and except as provided in subsection  
5 (i), in the case of any expenses paid or incurred in  
6 taxable years beginning after the date of the enact-  
7 ment of End Polluter Welfare Act of 2025 in con-  
8 nection with intangible drilling and development  
9 costs related to oil and gas wells—

10 “(A) such expenses shall be allowed as a  
11 deduction ratably over the 84-month period be-  
12 ginning on the date that such expense was paid  
13 or incurred,

14 “(B) any such expenses paid or incurred  
15 during any month shall be treated as paid or  
16 incurred on the mid-point of such month,

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

20 “(D) if any property with respect to which  
21 such intangible drilling and development costs  
22 are paid or incurred is retired or abandoned  
23 during such 84-month period, no deduction  
24 shall be allowed on account of such retirement  
25 or abandonment and the amortization deduction

1           under this paragraph shall continue with re-  
2           spect to such payment.”.

3       (b) CONFORMING AMENDMENTS.—

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

7           “(2) INTANGIBLE DRILLING COSTS.—

8               “(A) IN GENERAL.—With respect to all  
9       geothermal properties of the taxpayer, the  
10      amount (if any) by which the amount of the ex-  
11      cess intangible drilling costs arising in the tax-  
12      able year is greater than 65 percent of the net  
13      income of the taxpayer from geothermal prop-  
14      erties for the taxable year.

15           “(B) EXCESS INTANGIBLE DRILLING  
16      COSTS.—For purposes of subparagraph (A), the  
17      amount of the excess intangible drilling costs  
18      arising in the taxable year is the excess of—

19               “(i) the intangible drilling and devel-  
20      opment costs paid or incurred in connec-  
21      tion with geothermal wells (other than  
22      costs incurred in drilling a nonproductive  
23      well) allowable under section 263(c)(1) for  
24      the taxable year, over



1 “(ii) the amount which would have  
 2 been allowable for the taxable year if such  
 3 costs had been capitalized and straight line  
 4 recovery of intangibles (as defined in sub-  
 5 section (b)) had been used with respect to  
 6 such costs.

7 “(C) NET INCOME FROM GEOTHERMAL  
 8 PROPERTIES.—For purposes of subparagraph  
 9 (A), the amount of the net income of the tax-  
 10 payer from geothermal properties for the tax-  
 11 able year is the excess of—

12 “(i) the aggregate amount of gross in-  
 13 come (within the meaning of section  
 14 613(a)) from all geothermal properties of  
 15 the taxpayer received or accrued by the  
 16 taxpayer during the taxable year, over

17 “(ii) the amount of any deductions al-  
 18 locable to such properties reduced by the  
 19 excess described in subparagraph (B) for  
 20 such taxable year.”.

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

23 (A) in paragraph (2)(C), by striking “sec-  
 24 tion 263(c)” and inserting “section 263(c)(1)”,  
 25 and

1 (B) in paragraph (5), by striking “section  
2 263(c)” and inserting “section 263(c)(1)”.

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

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

7 (B) by striking “263(c),” and inserting  
8 “263(c)(1)”.

9 (4) Section 291 of such Code, as amended by  
10 sections 215 and 216, is amended by striking sub-  
11 section (b).

12 (5) Section 312(n) of such Code, as amended  
13 by sections 215 and 216, is amended by striking  
14 “section 263(c),” and inserting “section 263(c)(1)”.

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

19 **SEC. 218. INCREASE IN EXCISE TAX RATE FOR FUNDING OF**  
20 **BLACK LUNG DISABILITY TRUST FUND.**

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

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

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

3 (b) EFFECTIVE DATE.—The amendments made by  
 4 this section shall apply on and after the first day of the  
 5 first calendar month beginning after the date of the enact-  
 6 ment of this Act.

7 **SEC. 219. ELIMINATION OF RENEWABLE ELECTRICITY PRO-**  
 8 **DUCTION CREDIT ELIGIBILITY FOR REFINED**  
 9 **COAL.**

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

12 (1) in subsection (b)(2)—

13 (A) in the first sentence, by striking “, the  
 14 8 cent amount” and all that follows through “in  
 15 2002” and inserting “and the 8 cent amount in  
 16 paragraph (1)”, and

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

20 (2) in subsection (c), by striking paragraph (7),

21 (3) in subsection (d), by striking paragraph (8),

22 and

23 (4) in subsection (e)—

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

1 (B) by striking paragraph (9) and insert-  
 2 ing the following:

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

12 (b) CONFORMING AMENDMENTS.—

13 (1) Section 38(c)(4)(B)(iv) of the Internal Rev-  
 14 enue Code of 1986 is amended by striking “or re-  
 15 fined coal”.

16 (2) Section 45K(g)(2) of such Code is amended  
 17 by striking subparagraph (E).

18 (c) EFFECTIVE DATE.—The amendments made by  
 19 this section shall apply to coal produced after December  
 20 31, 2025.

21 **SEC. 220. TREATMENT OF FOREIGN OIL RELATED INCOME**  
 22 **AS SUBPART F INCOME.**

23 (a) IN GENERAL.—Section 954(a) of the Internal  
 24 Revenue Code of 1986 is amended by striking “and” at  
 25 the end of paragraph (2), by striking the period at the

1 end of paragraph (3) and inserting “, and”, and by adding  
 2 at the end the following new paragraph:

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

7 (b) FOREIGN BASE COMPANY OIL RELATED IN-  
 8 COME.—Section 954 of the Internal Revenue Code of 1986  
 9 is amended by inserting after subsection (e) the following  
 10 new subsection:

11 “(f) FOREIGN BASE COMPANY OIL RELATED IN-  
 12 COME.—For purposes of this section—

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

19 “(A) oil or gas which was extracted from  
 20 an oil or gas well located in such foreign coun-  
 21 try, or

22 “(B) oil, gas, or a primary product of oil  
 23 or gas which is sold by the foreign corporation  
 24 or a related person for use or consumption  
 25 within such country or is loaded in such coun-

1           try on a vessel or aircraft as fuel for such vessel  
2           or aircraft.

3           Such term shall not include any foreign personal  
4           holding company income (as defined in subsection  
5           (c)).

6           “(2) PARAGRAPH (1) APPLIES ONLY WHERE  
7           CORPORATION HAS PRODUCED 1,000 BARRELS PER  
8           DAY OR MORE.—

9           “(A) IN GENERAL.—The term ‘foreign  
10          base company oil related income’ shall not in-  
11          clude any income of a foreign corporation if  
12          such corporation is not a large oil producer for  
13          the taxable year.

14          “(B) LARGE OIL PRODUCER.—For pur-  
15          poses of subparagraph (A), the term ‘large oil  
16          producer’ means any corporation if, for the tax-  
17          able year or for the preceding taxable year, the  
18          average daily production of foreign crude oil  
19          and natural gas of the related group which in-  
20          cludes such corporation equaled or exceeded  
21          1,000 barrels.

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

1                   “(D) AVERAGE DAILY PRODUCTION OF  
 2 FOREIGN CRUDE OIL AND NATURAL GAS.—For  
 3 purposes of this paragraph, the average daily  
 4 production of foreign crude oil or natural gas of  
 5 any related group for any taxable year (and the  
 6 conversion of cubic feet of natural gas into bar-  
 7 rels) shall be determined under rules similar to  
 8 the rules of section 613A (as in effect on the  
 9 day before the date of enactment of the End  
 10 Polluter Welfare Act of 2025) except that only  
 11 crude oil or natural gas from a well located out-  
 12 side the United States shall be taken into ac-  
 13 count.”.

14 (c) CONFORMING AMENDMENTS.—

15           (1) Section 952(c)(1)(B)(iii) of the Internal  
 16 Revenue Code of 1986 is amended by redesignating  
 17 subclauses (I) through (IV) as subclauses (II)  
 18 through (V), respectively, and by inserting before  
 19 subclause (II) (as so redesignated) the following:

20                                   “(I) foreign base company oil re-  
 21                                   lated income,”.

22           (2) Section 954(b) of such Code is amended—

23                                   (A) by inserting at the end of paragraph

24                                   (4) the following: “The preceding sentence shall

1 not apply to foreign base company oil-related  
2 income described in subsection (a)(4).”,

3 (B) by striking “and the foreign base com-  
4 pany services income” in paragraph (5) and in-  
5 serting “the foreign base company services in-  
6 come, and the foreign base company oil related  
7 income”, and

8 (C) by adding at the end the following new  
9 paragraph:

10 “(6) FOREIGN BASE COMPANY OIL RELATED IN-  
11 COME NOT TREATED AS ANOTHER KIND OF BASE  
12 COMPANY INCOME.—Income of a corporation which  
13 is foreign base company oil related income shall not  
14 be considered foreign base company income of such  
15 corporation under paragraph (2) or (3) of subsection  
16 (a).”.

17 (d) EFFECTIVE DATE.—The amendments made by  
18 this section shall apply to taxable years of foreign corpora-  
19 tions beginning after the date of the enactment of this  
20 Act and to taxable years of United States shareholders  
21 ending with or within which such taxable years of foreign  
22 corporations end.



1 **SEC. 221. REPEAL OF EXCLUSION OF FOREIGN OIL AND**  
2 **GAS EXTRACTION INCOME FROM THE DETER-**  
3 **MINATION OF TESTED INCOME.**

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

6 (1) by adding “and” at the end of subclause  
7 (III),

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

10 (3) by striking subclause (V).

11 (b) EFFECTIVE DATE.—The amendments made by  
12 this section shall apply to taxable years of foreign corpora-  
13 tions beginning after the date of enactment of this Act,  
14 and to taxable years of United States shareholders in  
15 which or with which such taxable years of foreign corpora-  
16 tions end.

17 **SEC. 222. TERMINATION OF CREDIT FOR CARBON OXIDE**  
18 **SEQUESTRATION.**

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

22 “(j) TERMINATION.—This section shall not apply  
23 with respect to any qualified carbon oxide captured after  
24 the date of enactment of the End Polluter Welfare Act  
25 of 2025.”.

26 (b) REPORT.—

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

7                   (A) The taxpayer identity information of  
8       any taxpayer for which the carbon oxide seques-  
9       tration credit under section 45Q of the Internal  
10      Revenue Code of 1986 was allowed for any tax-  
11      able year following the enactment of such sec-  
12      tion.

13                  (B) The total amount of the credit allowed  
14      pursuant to such section to each taxpayer de-  
15      scribed in subparagraph (A).

16                  (C) With respect to the amount described  
17      in subparagraph (B), the amount of such credit  
18      allowed with respect to each of the following:

19                   (i) Qualified carbon oxide which was  
20      captured and disposed of by the taxpayer  
21      in secure geological storage and not used  
22      by the taxpayer as described in clause (ii)  
23      or (iii).

24                   (ii) Qualified carbon oxide which was  
25      captured and used by the taxpayer as a

1 tertiary injectant in a qualified enhanced  
 2 oil or natural gas recovery project and dis-  
 3 posed of by the taxpayer in secure geologi-  
 4 cal storage.

5 (iii) Qualified carbon oxide which was  
 6 captured and utilized by the taxpayer in a  
 7 manner described in section 45Q(f)(5) of  
 8 the Internal Revenue Code of 1986.

9 (2) EXCEPTION FROM RULES REGARDING CON-  
 10 FIDENTIALITY AND DISCLOSURE OF RETURNS AND  
 11 RETURN INFORMATION.—Section 6103(l) of the In-  
 12 ternal Revenue Code of 1986 is amended by adding  
 13 at the end the following:

14 “(23) DISCLOSURE OF RETURN INFORMATION  
 15 FOR PUBLIC REPORT ON CARBON OXIDE SEQUES-  
 16 TRATION CREDIT.—The Secretary may disclose tax-  
 17 payer identity information and return information to  
 18 the extent the Secretary deems necessary for pur-  
 19 poses of the report issued pursuant to section 222  
 20 of the End Polluter Welfare Act of 2025.”.

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

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

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

5 (b) EFFECTIVE DATE.—The amendment made by  
 6 this section shall apply with respect to articles entered,  
 7 or withdrawn from warehouse for consumption, on or after  
 8 January 1, 2026.

9 **SEC. 224. MODIFYING CLEAN HYDROGEN PRODUCTION**  
 10 **CREDIT.**

11 (a) IN GENERAL.—Section 45V of the Internal Rev-  
 12 enue Code of 1986, as amended by section 70511 of Public  
 13 Law 119–21, is amended—

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

16 “(2) \$0.60.”,

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

19 “(b) INFLATION ADJUSTMENT.—The \$0.60 amount  
 20 in subsection (a)(2) shall be adjusted by multiplying such  
 21 amount by the inflation adjustment factor (as determined  
 22 under section 45(e)(2), determined by substituting ‘2024’  
 23 for ‘1992’ in subparagraph (B) thereof) for the calendar  
 24 year in which the qualified clean hydrogen is produced.  
 25 If any amount as increased under the preceding sentence

1 is not a multiple of 0.1 cent, such amount shall be rounded  
2 to the nearest multiple of 0.1 cent.”,

3 (3) in subsection (c)—

4 (A) by striking paragraph (1),

5 (B) in paragraph (2)—

6 (i) by striking subparagraph (A) and  
7 inserting the following:

8 “(A) DEFINITION.—

9 “(i) IN GENERAL.—The term ‘quali-  
10 fied clean hydrogen’ means hydrogen pro-  
11 duced using an electrolyzer for which the  
12 electricity used is—

13 “(I) produced at a facility  
14 which—

15 “(aa) uses qualified renew-  
16 able energy resources to produce  
17 such electricity,

18 “(bb) was placed in service  
19 not greater than 36 months prior  
20 to the date on which the facility  
21 which produces such hydrogen  
22 was placed in service, and

23 “(cc) is in the same region  
24 (as defined in the National  
25 Transmission Needs Study of the

1 Department of Energy, dated Oc-  
2 tober 30, 2023) as the facility  
3 which produces such hydrogen,  
4 and

5 “(II) produced at the facility de-  
6 scribed in subclause (I) not less than  
7 1 hour prior to use by the electrolyzer.

8 “(ii) QUALIFIED RENEWABLE ENERGY  
9 RESOURCES.—The term ‘qualified renew-  
10 able energy resources’ means—

11 “(I) wind,

12 “(II) solar energy,

13 “(III) geothermal energy (as de-  
14 fined in section 45(e)(4)),

15 “(IV) marine and hydrokinetic  
16 renewable energy (as defined in sec-  
17 tion 45(e)(10)), and

18 “(V) hydropower.”, and

19 (ii) by striking subparagraph (C),  
20 (C) in paragraph (3)(C), by inserting “,  
21 and which is placed in service after December  
22 31, 2025” after “January 1, 2028”, and

23 (D) by redesignating paragraphs (2) and  
24 (3) as paragraphs (1) and (2), respectively,  
25 (4) in subsection (e)—

1 (A) in paragraph (1), by striking “de-  
 2 scribed in subsection (b)(2)” and inserting  
 3 “produced by the taxpayer”, and

4 (B) in paragraph (3)(A)(ii), by striking  
 5 “subsection (a)(2)” and inserting “subsection  
 6 (a)(1)”, and

7 (5) in subsection (f), by striking “, including  
 8 regulations or other guidance for determining  
 9 lifecycle greenhouse gas emissions”.

10 (b) CONFORMING AMENDMENTS.—

11 (1) Section 45(e)(13) of the Internal Revenue  
 12 Code of 1986 is amended by striking “section  
 13 45V(c)(3)) to produce qualified clean hydrogen (as  
 14 defined in section 45V(c)(2))” and inserting “section  
 15 45V(c)(2)) to produce qualified clean hydrogen (as  
 16 defined in section 45V(c)(1))”.

17 (2) Section 48(a)(15) of such Code is amend-  
 18 ed—

19 (A) in subparagraph (A), by striking  
 20 clause (ii) and inserting the following:

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

23 (B) in subparagraph (C)—

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

1 (ii) in clause (i), by striking “Decem-  
 2 ber 31, 2022” and inserting “December  
 3 31, 2025”, and

4 (C) in subparagraph (D), by striking “sec-  
 5 tion 45V(c)(2)” and inserting “section  
 6 45V(c)(1)”.

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

8 (A) in subsection (b)(5), by striking “De-  
 9 cember 31, 2012” and inserting “December 31,  
 10 2025”, and

11 (B) in subsection (d)(1)(B), by striking  
 12 “section 45V(c)(3)” and inserting “section  
 13 45V(c)(2)”.

14 (c) EFFECTIVE DATE.—The amendments made by  
 15 this section shall apply to facilities placed in service after  
 16 December 31, 2025.

## 17 **TITLE III—REPEAL RECENT FOS-** 18 **SIL FUEL SUBSIDY LEGISLA-** 19 **TION**

### 20 **SEC. 301. BUILDER ACT.**

21 (a) GENERAL REPEAL.—Sections 106, 107, 108,  
 22 109, 110, and 111 of the National Environmental Policy  
 23 Act of 1969 (42 U.S.C. 4336, 4336a, 4336b, 4336c,  
 24 4336d, 4336e) are repealed.



1 (b) REPEAL OF MODIFICATIONS.—Section 102(2) of  
2 the National Environmental Policy Act of 1969 (42 U.S.C.  
3 4332(2)) is amended—

4 (1) in subparagraph (C)—

5 (A) in the matter preceding clause (i), by  
6 striking “consistent with the provisions of this  
7 Act and except where compliance would be in-  
8 consistent with other statutory requirements,”;

9 (B) by striking clauses (i) through (v) and  
10 inserting the following:

11 “(i) the environmental impact of the  
12 proposed action;

13 “(ii) any adverse environmental ef-  
14 fects that cannot be avoided if the pro-  
15 posed action is implemented;

16 “(iii) alternatives to the proposed ac-  
17 tion;

18 “(iv) the relationship between local  
19 short-term uses of the human environment  
20 and the maintenance and enhancement of  
21 long-term productivity; and

22 “(v) any irreversible and irretrievable  
23 commitments of resources that would be  
24 involved in the proposed action if the pro-  
25 posed action is implemented.”; and

1 (C) in the undesignated matter following  
 2 clause (v) (as so amended), in the first sen-  
 3 tence, by striking “head of the lead agency”  
 4 and inserting “responsible Federal official”;

5 (2) by striking subparagraphs (D), (E), and  
 6 (F);

7 (3) by redesignating subparagraphs (G)  
 8 through (L) as subparagraphs (D) through (I), re-  
 9 spectively; and

10 (4) in subparagraph (F) (as so redesignated),  
 11 by striking “consistent with the provisions of this  
 12 Act,”.

13 (c) CONFORMING AMENDMENT.—Section 9909(c)(1)  
 14 of the William M. (Mac) Thornberry National Defense Au-  
 15 thorization Act for Fiscal Year 2021 (15 U.S.C.  
 16 4659(c)(1)) is amended by striking “has the meaning  
 17 given the term in section 111 of NEPA (42 U.S.C.  
 18 4336e)” and inserting “, with respect to a covered activity,  
 19 means the Federal agency that proposed the covered activ-  
 20 ity”.

21 **SEC. 302. INFLATION REDUCTION ACT.**

22 (a) LEASE SALES UNDER THE 2017–2022 OUTER  
 23 CONTINENTAL SHELF LEASING PROGRAM.—Section  
 24 50264 of Public Law 117–169 (commonly known as the

1 “Inflation Reduction Act of 2022”) (136 Stat. 2059) is  
2 repealed.

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

7 **SEC. 303. ONE BIG BEAUTIFUL BILL ACT.**

8 (a) INTERNAL REVENUE CODE.—

9 (1) EXCLUSION OF METALLURGICAL COAL  
10 UNDER ADVANCED MANUFACTURING PRODUCTION  
11 CREDIT.—Section 45X of the Internal Revenue Code  
12 of 1986, as amended by section 70514 of Public  
13 Law 119–21 (commonly known as the “One Big  
14 Beautiful Bill Act”), is amended—

15 (A) in subsection (b)(1)(M), by striking  
16 “(2.5 percent in the case of metallurgical  
17 coal)”,

18 (B) in subsection (b)(3)—

19 (i) in subparagraph (C)—

20 (I) in the heading, by striking  
21 “OTHER THAN METALLURGICAL  
22 COAL”,

23 (II) in clause (i), by striking  
24 “(other than metallurgical coal)”, and

1 (III) in the heading of clause (ii),  
 2 by striking “OTHER THAN METALLUR-  
 3 GICAL COAL”, and  
 4 (ii) by striking subparagraph (E), and  
 5 (C) in subsection (c)(6), by striking sub-  
 6 paragraph (R).

7 (2) INTANGIBLE DRILLING AND DEVELOPMENT  
 8 COSTS.—The amendments made by section 70523 of  
 9 Public Law 119–21 are repealed and the Internal  
 10 Revenue Code of 1986 shall be applied as if such  
 11 amendments had not been enacted.

12 (3) INCOME FROM CARBON CAPTURE AND HY-  
 13 DROGEN.—Section 7704(d)(1)(E) of the Internal  
 14 Revenue Code of 1986, as amended by section  
 15 70524 of Public Law 119–21, is amended—

16 (A) in clause (ii)(II), by inserting “pro-  
 17 vided that such hydrogen is qualified clean hy-  
 18 drogen (as defined in section 45V(c)(1)(A)),”  
 19 after “liquified hydrogen or compressed hydro-  
 20 gen,” and

21 (B) by striking clause (iii).

22 (b) OIL AND GAS, MINING, AND ENERGY RE-  
 23 PEALS.—The provisions of, and the amendments made by,  
 24 sections 50101, 50102, 50103, 50104, 50105, 50201,  
 25 50202, 50203, 50204, and 50403 of Public Law 119–21

1 (commonly known as the “One Big Beautiful Bill Act”)  
 2 (139 Stat. 72) are repealed, and any provision of law  
 3 amended or repealed by those sections shall be applied as  
 4 if such amendments or repeals had not been enacted.

5 (c) METHANE EMISSIONS AND WASTE REDUCTION  
 6 INCENTIVE PROGRAM.—Section 136(g) of the Clean Air  
 7 Act (42 U.S.C. 7436(g)) (as amended by section 60012(b)  
 8 of Public Law 119–21 (commonly known as the “One Big  
 9 Beautiful Bill Act”)) (139 Stat. 72) is amended by strik-  
 10 ing “calendar year 2034” and inserting “calendar year  
 11 2024”.

12 (d) REPEAL OF PROJECT SPONSOR OPT-IN FEES  
 13 FOR ENVIRONMENTAL REVIEWS.—Section 112 of the Na-  
 14 tional Environmental Policy Act of 1969 (as added by sec-  
 15 tion 60026 of Public Law 119–21 (commonly known as  
 16 the “One Big Beautiful Bill Act”)) (139 Stat. 72) is re-  
 17 pealed.

18 **SEC. 304. REPEAL OF DISAPPROVAL OF EPA RULE RELAT-**  
 19 **ING TO WASTE EMISSIONS CHARGE FOR PE-**  
 20 **TROLEUM AND NATURAL GAS SYSTEMS.**

21 Public Law 119–2 is repealed and the rule submitted  
 22 by the Environmental Protection Agency relating to  
 23 “Waste Emissions Charge for Petroleum and Natural Gas  
 24 Systems: Procedures for Facilitating Compliance, Includ-  
 25 ing Netting and Exemptions” (89 Fed. Reg. 91094 (No-

1 vember 18, 2024)) shall have such force and effect as if  
 2 such Public Law had never been enacted.

## 3 **TITLE IV—ELIMINATION OF** 4 **OTHER FOSSIL FUEL SUBSIDIES**

### 5 **SEC. 401. STUDY AND ELIMINATION OF ADDITIONAL FOSSIL** 6 **FUEL SUBSIDIES.**

7 (a) DEFINITION OF SUBSIDY FOR FOSSIL-FUEL PRO-  
 8 DUCTION.—In this section, the term “subsidy for fossil-  
 9 fuel production” means any direct funding, tax treatment  
 10 or incentive, risk-reduction benefit, financing assistance or  
 11 guarantee, royalty relief, or other provision that provides  
 12 a financial benefit to a fossil-fuel company for the produc-  
 13 tion of fossil fuels.

14 (b) REPORT TO CONGRESS.—Not later than 1 year  
 15 after the date of enactment of this Act, the Secretary of  
 16 the Treasury or a delegate of the Secretary (referred to  
 17 in this section as the “Secretary”), in coordination with  
 18 the Secretary of Energy, shall submit to Congress a report  
 19 detailing each Federal law (including regulations), other  
 20 than those amended by this Act, as in effect on the date  
 21 on which the report is submitted, that includes a subsidy  
 22 for fossil-fuel production.

23 (c) REPORT ON MODIFIED RECOVERY PERIOD.—

24 (1) IN GENERAL.—Not later than 1 year after  
 25 the date of enactment of this Act, the Secretary, in

1 coordination with the Commissioner of Internal Rev-  
2 enue, shall submit to Congress a report on the appli-  
3 cable recovery period under the accelerated cost re-  
4 covery system provided in section 168 of the Inter-  
5 nal Revenue Code of 1986 for each type of property  
6 involved in fossil-fuel production, including pipelines,  
7 power generation property, refineries, and drilling  
8 equipment, to determine if any assets are receiving  
9 a subsidy for fossil-fuel production.

10 (2) ELIMINATION OF SUBSIDY.—

11 (A) IN GENERAL.—In the case of any type  
12 of property that the Secretary determines is re-  
13 ceiving a subsidy for fossil-fuel production  
14 under section 168 of the Internal Revenue Code  
15 of 1986, for property placed in service in tax-  
16 able years beginning after the date of such de-  
17 termination, section 168 of the Internal Rev-  
18 enue Code of 1986 shall not apply.

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

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