

CARBON PRICING PROPOSALS IN THE 116TH CONGRESS



Jason Ye, Center for Climate and Energy Solutions

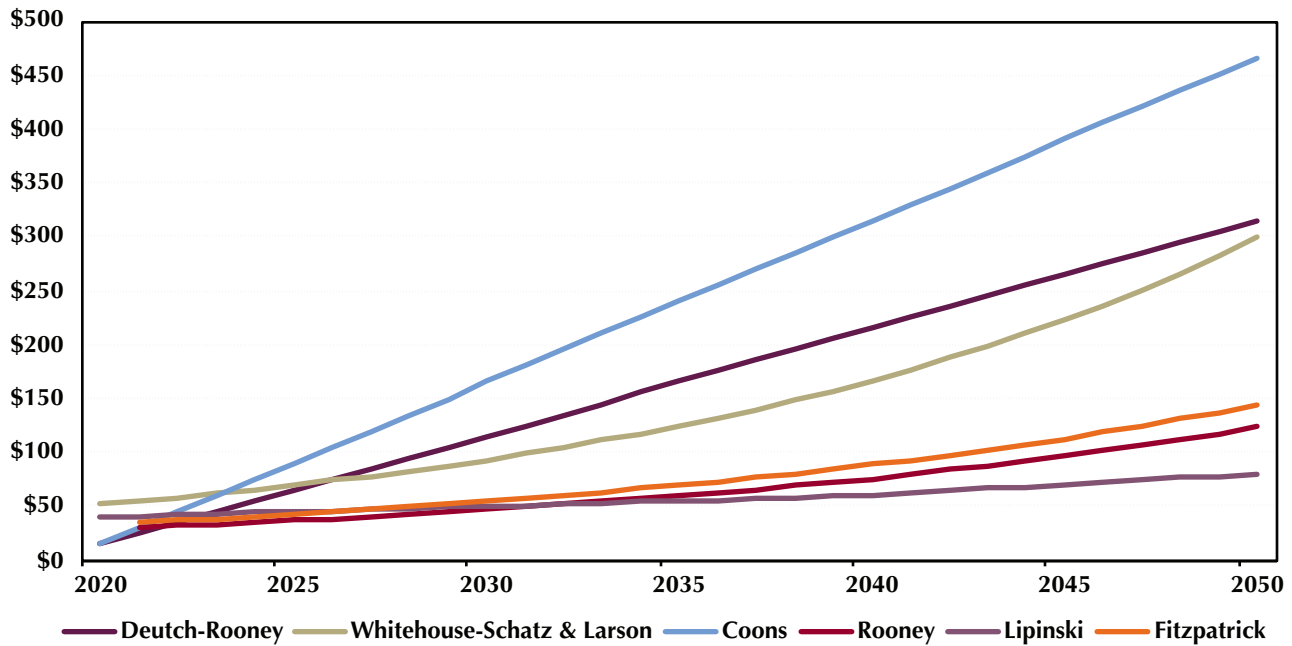
There are various market-based approaches to pricing carbon (e.g. carbon tax, cap and trade, and a clean energy standard). All of these can reduce emissions cost-effectively while driving clean energy innovation. This factsheet compares eight carbon tax and cap-and-dividend proposals introduced in the 116th Congress (2019–2020).

Carbon pricing offers a cost-effective way to reduce greenhouse gas emissions. Ten states are already pricing carbon, and a number of states are considering similar action. This fact sheet summarizes and compares eight carbon pricing proposals that have been introduced so far in the 116th Congress (2019–2020), highlighting similarities and differences. Seven of these proposals would establish a carbon tax (or “carbon fee”) and one would establish a cap-and-dividend program (a cap-and-trade program that rebates program revenues to consumers). The eight proposals are:

- The Energy Innovation and Carbon Dividend Act of 2019 (H.R.763) introduced by Reps. Ted Deutch (D-Fla.) and Francis Rooney (R-Fla.) on Jan. 24, 2019;
- The Healthy Climate and Family Security Act of 2019 (S.940 and H.R.1960) introduced by Sen. Chris Van Hollen (D-Md.) and Rep. Don Beyer (D-Va.) on March 28, 2019;
- The American Opportunity Carbon Fee Act of 2019 (S.1128) reintroduced by Sens. Sheldon Whitehouse (D-R.I.), Brian Schatz (D-Hawaii), Martin Heinrich (D-N.M.), and Kirsten Gillibrand (D-N.Y.) on April 10, 2019;
- The Climate Action Rebate Act of 2019 (S.2284 and H.R.4051) introduced by Sens. Chris Coons (D-Del.) and Dianne Feinstein (D-Calif.), and Rep. Jimmy Panetta (D-Calif.) on July 25, 2019;
- The Stemming Warming and Augmenting Pay Act of 2019 (H.R.4058) introduced by Reps. Francis Rooney (R-Fla.) and Dan Lipinski (D-Ill.) on July 25, 2019;
- The Raise Wages, Cut Carbon Act of 2019 (H.R.3966) introduced by Reps. Dan Lipinski (D-Ill.) and Francis Rooney (R-Fla.) on July 25, 2019;
- The America Wins Act of 2019 (H.R.4142) introduced by Rep. John Larson (D-Conn.) on August 2, 2019; and
- The Modernizing America with Rebuilding to Kickstart the Economy of the Twenty-first Century with a Historic Infrastructure-Centered Expansion Act of 2019 (H.R.4520) introduced Reps. Ryan Fitzpatrick (R-Pa.) and Salud Carbajal (D-Calif.) on September 26, 2019.

While each proposal would establish a price on carbon, they differ in terms of the emissions covered. For example, the Larson proposal would apply a tax to the carbon dioxide content of fossil fuels at a point upstream or midstream (i.e., coal mines, refineries, natural gas processing plants, or importers) while the Whitehouse-Schatz proposal would apply a tax to all greenhouse gases covered by the U.S. Environmental Protection Agency (EPA) Greenhouse Gas Reporting Rule (not just carbon dioxide). The Rooney, Lipinski, and Fitzpatrick proposals would apply a tax to greenhouse gas emissions from fossil fuels and certain industrial products and

FIGURE 1: Tax rate for carbon tax proposals (\$/metric ton)



The figure shows the escalation rate for the carbon tax proposals. It does not reflect potential increases in the tax rate for when an environmental objective is not met. This figure does not include the Van Hollen-Beyer cap-and-dividend proposal since the permit price will be determined by auction.

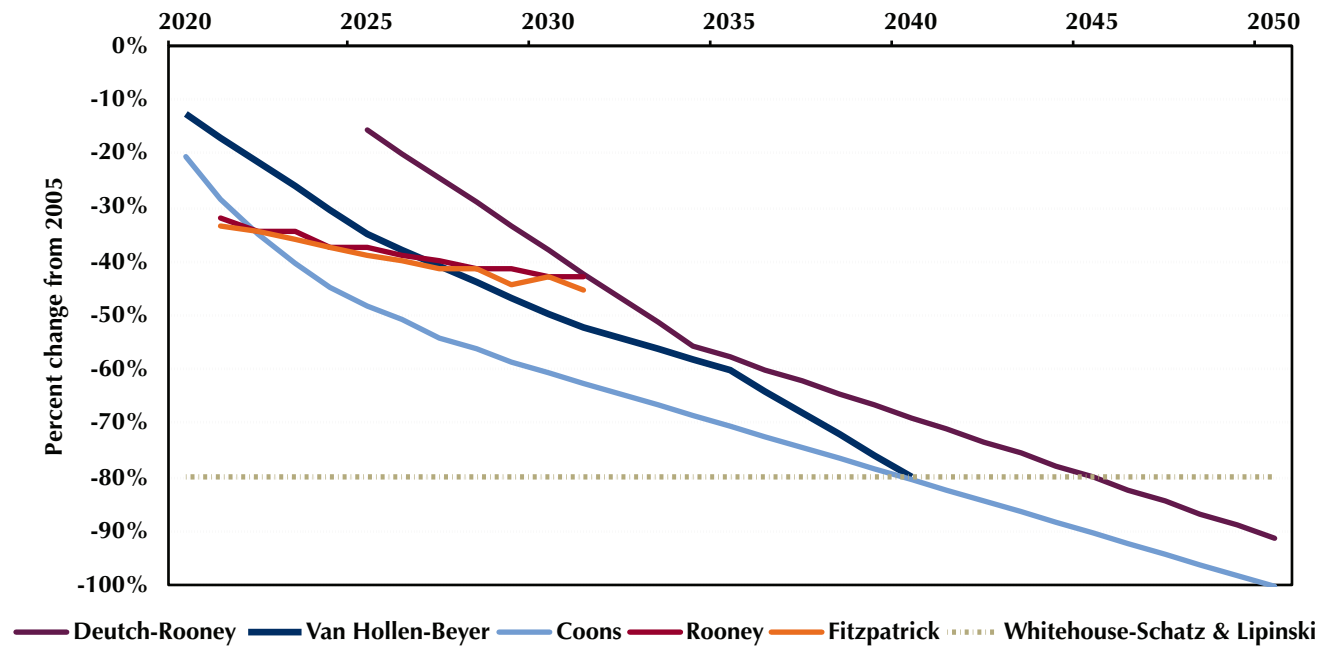
processes while the Deutch-Rooney and Coons-Feinstein proposals would apply a tax on carbon dioxide equivalent emissions from fossil fuels and a reduced carbon tax on fluorinated gases. The Fitzpatrick proposal would replace the gas and aviation fuel tax with a carbon tax.

Other differences include the starting level of the tax, how quickly it increases over time (see Figure 1), and how the revenue is used. The Deutch-Rooney proposal, for example, would establish a \$15 per metric ton carbon tax that rises \$10 annually and could rise \$15 annually if annual emission targets are not met. Revenues would be rebated to the American people as a dividend. The Whitehouse-Schatz proposal, for example, would set a \$52 per metric ton fee that rises at 6 percent over inflation annually until emissions are 80 percent below 2005 levels. Revenues would be used to provide an annual refundable tax credit to consumers and grants to states to compensate low-income households for impacts on energy costs. The Rooney proposal would establish a \$30 per metric ton carbon tax that rises at 5 percent over inflation annually and could rise \$3 biennially if emission

targets are not met. The Lipinski proposal would establish a \$40 per metric carbon tax that rises at 2.5 percent over inflation. Most of the revenues from the Rooney and Lipinski proposals would be used to offset payroll taxes. Whereas the Larson proposal would establish a \$52 per metric carbon tax that rises at 6 percent over inflation. The revenues would mostly be used to fund infrastructure. Revenues from the Fitzpatrick proposal would also be mostly used to fund infrastructure, though the proposal would establish a \$35 per metric ton carbon tax that rises at 5 percent over inflation annually and could rise \$4 biennially if emission targets are not met.

Most of the carbon pricing proposals include an emissions reduction target (see Figure 2). The Deutch-Rooney proposal has an emissions reduction target of 90 percent below 2016 levels by 2050 (about 91 percent below 2005 levels by 2050). The Van-Hollen-Beyer proposal would cap emissions at 80 percent below 2005 levels by 2040. The Whitehouse-Schatz and Lipinski proposals have an emissions reduction target of 80 percent below 2005 levels. The Coons-Feinstein proposal has an emissions

FIGURE 2: Emission reduction target for carbon pricing proposals



The figure shows the emission reduction targets relative to 2005 greenhouse gas emissions for six carbon pricing proposals, two of which go out to 2050, one to 2040, and two to 2031. The Whitehouse-Schatz and Lipinski proposals have an emissions target of 80 percent below 2005 levels but with no target date, which is represented here as a horizontal line.

reduction target of 100 percent below 2017 levels by 2050 (about 100 percent below 2005 levels by 2050). The Rooney proposal has a cumulative emissions schedule from 2021 to 2031, which would reduce emissions about 43 percent below 2005 levels by 2031. The Fitzpatrick proposal also has a cumulative emissions schedule from 2021 to 2031 that would reduce emissions about 46 percent below 2005 levels by 2031.

The proposals also differ in the treatment of greenhouse gas regulations and state programs. The Van Hollen-Beyer proposal would require the EPA administrator, starting four years after enactment, to begin issuing regulations under the Clean Air Act (and any other applicable law) for greenhouse gas emissions not covered by their proposed cap-and-trade program or those directly attributable to food production. The Deutch-Rooney, Lipinski, Rooney, and Fitzpatrick proposals would place a moratorium on most stationary source greenhouse gas regulations under the Clean Air Act. The Deutch-Rooney and Lipinski proposals would place a moratorium, which could be lifted starting in April 2030 and every five years

thereafter if emission reduction targets are not met. The Rooney and Fitzpatrick proposals would place a 12-year moratorium, which could be lifted in 2025 or 2029 if emission reductions are not met. Under these proposals, if the moratorium is lifted, the EPA administrator would be required to issue regulations to bring greenhouse gas emissions from covered fuels to levels that are at or below emission reduction targets. The Van Hollen-Beyer, Deutch-Rooney, and Coons-Feinstein proposals would not preempt state programs, while the Rooney and Fitzpatrick proposals would offer a declining annual credit to entities covered by both the federal tax and a state greenhouse gas program.

Almost all carbon tax proposals introduced in this Congress include some provisions to ensure the environmental integrity (i.e., provide greater certainty that emission reduction targets will be met). For example, if the target is not met for a given period, the tax rate goes up or EPA greenhouse gas regulations under the Clean Air Act could come back into force.

PROPOSAL	SPONSOR(S)	CARBON PRICING MECHANISM	START DATE	REGULATING AUTHORITY
<i>Energy Innovation and Carbon Dividend Act</i>	Reps. Ted Deutch (D-Fla.) and Francis Rooney (R-Fla.)	Carbon Tax	270 days after enactment	U.S. Treasury Department in consultation with EPA
<i>Healthy Climate and Family Security Act</i>	Sen. Chris Van Hollen (D-Md.) and Rep. Don Beyer (D-Va.)	Cap and Trade	Jan. 1, 2020	U.S. Treasury Department in consultation with EPA
<i>American Opportunity Carbon Fee Act</i>	Sens. Sheldon Whitehouse (D-R.I.) and Brian Schatz (D-Hawaii)	Carbon Tax	Jan. 1, 2020	U.S. Treasury Department in consultation with EPA
<i>Climate Action Rebate Act</i>	Sens. Chris Coons (D-Del.) and Dianne Feinstein (D-Calif.), and Rep. Jimmy Panetta (D-Calif.)	Carbon Tax	Next tax year after enactment	U.S. Treasury Department in consultation with EPA
<i>Stemming Warming and Augmenting Pay Act</i>	Reps. Francis Rooney (R-Fla.) and Dan Lipinski (D-Ill.)	Carbon Tax	Jan. 1, 2021	U.S. Treasury Department in consultation with EPA
<i>Raise Wages, Cut Carbon Act</i>	Reps. Dan Lipinski (D-Ill.) and Francis Rooney (R-Fla.)	Carbon Tax	Jan. 1, 2020	U.S. Treasury Department in consultation with EPA
<i>America Wins Act</i>	Rep. John Larson (D-Conn.)	Carbon Tax	Jan. 1, 2020	U.S. Treasury Department
<i>MARKET CHOICE Act</i>	Reps. Ryan Fitzpatrick (R-Pa.) and Salud Carbajal (D-Calif.)	Carbon Tax	Jan. 1, 2021	U.S. Treasury Department in consultation with EPA

PROPOSAL	SUBSTANCES COVERED
<i>Energy Innovation and Carbon Dividend Act</i>	CO ₂ equivalent emissions from covered fuels: crude oil, natural gas, coal, and fluorinated gases.
<i>Healthy Climate and Family Security Act</i>	CO ₂ emissions from fossil fuel combustion (crude oil, natural gas, coal) or any other combustible fuel sold in the United States.
<i>American Opportunity Carbon Fee Act</i>	CO ₂ equivalent emissions from fossil fuel (coal, petroleum, or natural gas) products, fluorinated gases, and GHGs covered under EPA's GHG Reporting Program .
<i>Climate Action Rebate Act</i>	CO ₂ equivalent emissions from covered fuels: crude oil, natural gas, coal, solid biomass, and fluorinated gases.
<i>Stemming Warming and Augmenting Pay Act</i>	CO ₂ equivalent emissions from fossil-fuel (coal, petroleum, natural gas) combustion and certain industrial products and processes.
<i>Raise Wages, Cut Carbon Act</i>	CO ₂ emissions potential of a taxable carbon substance: coal, petroleum, natural gas, and fluorinated gases.
<i>America Wins Act</i>	CO ₂ content of a taxable carbon substance: coal, petroleum and any petroleum products, and natural gas.
<i>MARKET CHOICE Act</i>	CO ₂ equivalent emissions from fossil-fuel combustion and certain industrial products and processes.

PROPOSAL	POINT OF COVERAGE (I.E., COVERED ENTITY)
<i>Energy Innovation and Carbon Dividend Act</i>	<p>Covered entities include: refineries, coal mine mouth, those entering pipeline quality natural gas into the transmission system, any importer of a covered fuels, and those who are required to report emissions of fluorinated gases.</p> <p>Exemption for covered fuels used: on a farm for farming purposes and non-fossil fuel greenhouse gas emissions which occur on a farm, or by the armed services.</p>
<i>Healthy Climate and Family Security Act</i>	<p>Covered entity is the first seller of oil, coal, or natural gas into the U.S. market.</p> <p>Participation in the auction of carbon permits is limited to covered entities.</p>
<i>American Opportunity Carbon Fee Act</i>	<p>Covered entities are facilities required to report emissions under the EPA GHG Reporting Program and emit at least 25,000 tons of CO₂ equivalent in the previous calendar year.</p>
<i>Climate Action Rebate Act</i>	<p>Covered entities include: refineries, coal mine mouth, those entering pipeline quality natural gas into the transmission system, any facility that burns solid biomass fuel, any importer of a covered fuels or fuel products, and those who are required to report emissions of fluorinated gases.</p>
<i>Stemming Warming and Augmenting Pay Act</i>	<p>Covered fossil fuel entities include: coal mine mouth or coal preparation and processing plant, refineries, and natural gas processing plant or point of sale, and point at which imported fossil fuels enter the United States.</p> <p>Other covered entities include owner/operator of certain industrial facilities (initial list of 20) or owner/operator of a facility that makes or imports certain products (initial list of 8).</p> <p>The EPA can revise the list of source categories and producers.</p>
<i>Raise Wages, Cut Carbon Act</i>	<p>Covered entity means manufacturer, producer, or importer of a taxable carbon substance.</p>
<i>America Wins Act</i>	<p>Covered entity means manufacturer, producer, or importer of a taxable carbon substance.</p>
<i>MARKET CHOICE Act</i>	<p>Covered fossil fuel entities include: coal mine mouth or coal preparation and processing plant, refineries, and natural gas processing plant or point of sale, and point at which imported fossil fuels enter the United States.</p> <p>Other covered entities include owner/operator of certain industrial facilities (initial list of 20) or owner/operator of a facility that makes or imports certain products (initial list of 8).</p> <p>The EPA can revise the list of source categories and producers.</p>

PROPOSAL	EMISSION TARGETS AND TIMETABLES																										
<p><i>Energy Innovation and Carbon Dividend Act</i></p>	<p>The emission target is equal to the previous year’s target minus the percentage listed in the table:</p> <table border="1" data-bbox="391 296 1192 422"> <thead> <tr> <th>Year</th> <th>Emissions Reduction Target (% of 2016 emissions)</th> </tr> </thead> <tbody> <tr> <td>2025–2034</td> <td>5% per year</td> </tr> <tr> <td>2035–2050</td> <td>2.5% per year</td> </tr> </tbody> </table> <p>The proposal’s emissions reduction target is 90% below 2016 levels by 2050.</p>	Year	Emissions Reduction Target (% of 2016 emissions)	2025–2034	5% per year	2035–2050	2.5% per year																				
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<p><i>MARKET CHOICE Act</i></p>	<p>The carbon tax can be adjusted if total emissions from covered sources are greater than the specified emissions below:</p> <table border="1" data-bbox="391 1163 659 1659"> <thead> <tr> <th>Year</th> <th>Total Emissions</th> </tr> </thead> <tbody> <tr><td>2021</td><td>4,900</td></tr> <tr><td>2022</td><td>9,700</td></tr> <tr><td>2023</td><td>14,400</td></tr> <tr><td>2024</td><td>19,000</td></tr> <tr><td>2025</td><td>23,500</td></tr> <tr><td>2026</td><td>27,900</td></tr> <tr><td>2027</td><td>32,200</td></tr> <tr><td>2028</td><td>36,500</td></tr> <tr><td>2029</td><td>40,600</td></tr> <tr><td>2030</td><td>44,800</td></tr> <tr><td>2031</td><td>48,800</td></tr> </tbody> </table> <p>The proposal's emission reduction target is about 46% below 2005 levels by 2031.</p>	Year	Total Emissions	2021	4,900	2022	9,700	2023	14,400	2024	19,000	2025	23,500	2026	27,900	2027	32,200	2028	36,500	2029	40,600	2030	44,800	2031	48,800
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PROPOSAL	CARBON PRICE AND ESCALATION RATE																						
<p><i>Energy Innovation and Carbon Dividend Act</i></p>	<p>Starting at \$15 per metric ton of CO₂ equivalent.</p> <p>Increasing annually at \$10 per metric ton, and at \$15 per metric ton if emissions reduction target is not met in the previous year (adjusted for inflation).</p> <p>The tax rate for fluorinated gases is 10% of the carbon fee rate for a given year.</p> <p>The carbon fee will be phased out once emissions from covered fuels are 90% below 2015 levels, and the monthly carbon dividend payments to an adult has been less than \$20 for 3 consecutive years.</p>																						
<p><i>Healthy Climate and Family Security Act</i></p>	<p>The carbon permit price is determined by auction. The quantity of permits auctioned is equal to the amount necessary to meet an annual emissions target.</p> <p>The treasury secretary is required to hold at least four auctions a year, limit how many permits a single participant can purchase at a single auction, and set a price floor.</p> <p>A carbon permit can be banked for later years.</p> <p>If the carbon permit price increases more than 50% above the two-year average price, the Secretary can auction as many permits as needed to stabilize the price. Unsold permits in reserve must be auctioned first before additional permits can be auctioned. The auctioning of additional permits will reduce the aggregate number of permits made available in later years.</p>																						
<p><i>American Opportunity Carbon Fee Act</i></p>	<p>Starting at \$52 per metric ton of CO₂ equivalent.</p> <p>Increasing annually 6% above CPI, and increasing only by inflation when emissions fall at least 80% below 2005 levels.</p> <p>Rounded to the next whole dollar.</p> <p>The tax rate for fluorinated gases is based on an applicable percentage listed in the table:</p> <table border="1" data-bbox="391 1167 834 1612"> <thead> <tr> <th>Year</th> <th>Applicable percentage</th> </tr> </thead> <tbody> <tr> <td>2020–2022</td> <td>10%</td> </tr> <tr> <td>2023</td> <td>20%</td> </tr> <tr> <td>2024</td> <td>30%</td> </tr> <tr> <td>2025</td> <td>40%</td> </tr> <tr> <td>2026</td> <td>50%</td> </tr> <tr> <td>2027</td> <td>60%</td> </tr> <tr> <td>2028</td> <td>70%</td> </tr> <tr> <td>2029</td> <td>80%</td> </tr> <tr> <td>2030</td> <td>90%</td> </tr> <tr> <td>2031 or later</td> <td>100%</td> </tr> </tbody> </table>	Year	Applicable percentage	2020–2022	10%	2023	20%	2024	30%	2025	40%	2026	50%	2027	60%	2028	70%	2029	80%	2030	90%	2031 or later	100%
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PROPOSAL	CARBON PRICE AND ESCALATION RATE
<i>Climate Action Rebate Act</i>	<p>Starting at \$15 per metric ton of CO₂ equivalent.</p> <p>Increasing annually at \$15 per metric ton, and at \$30 per metric ton if emissions reduction target is not met in the previous year (adjusted for inflation).</p> <p>The tax rate for fluorinated gases is 20% of the carbon fee rate for a given year.</p> <p>The carbon fee escalation rate will be phased out once emissions from covered fuels are 90% below 2017 levels.</p>
<i>Stemming Warming and Augmenting Pay Act</i>	<p>Starting at \$30 per metric ton of CO₂ equivalent.</p> <p>Increasing annually at 5% above CPI, and starting in 2023, at additional \$3 per metric ton biennially if cumulative emissions are greater than the emissions schedule.</p>
<i>Raise Wages, Cut Carbon Act</i>	<p>Starting at \$40 per metric ton of CO₂ equivalent.</p> <p>Increasing annually at 2.5% above CPI.</p> <p>Rounded to the nearest whole dollar.</p> <p>The tax rate for fluorinated gases is 10% of the carbon fee rate for a given year.</p> <p>The carbon fee escalation rate will be phased out once emissions from covered fuels are 80% below 2005 levels.</p>
<i>America Wins Act</i>	<p>Starting at \$52 per metric ton of CO₂ content.</p> <p>Increasing annually 6% above CPI.</p>
<i>MARKET CHOICE Act</i>	<p>Starting at \$35 per metric ton of CO₂ equivalent.</p> <p>Increasing annually at 5% above CPI, and starting in 2023, at an additional \$4 per metric ton biennially if cumulative emissions are greater than the emissions schedule.</p>

PROPOSAL	TAX CREDITS OR REFUNDS
<i>Energy Innovation and Carbon Dividend Act</i>	Treasury secretary can issue payments to the amounts equivalent to the metric tons of CO ₂ that is captured, sequestered or utilized from combustion of covered fuels in the United States.
<i>Healthy Climate and Family Security Act</i>	Treasury secretary can issue carbon permits in the amounts equivalent to the metric tons of CO ₂ that is captured and sequestered from combustion of covered fuels in the United States.
<i>American Opportunity Carbon Fee Act</i>	A refund can be issued in the amount of the carbon fee for: the utilization or capture and secure storage of CO ₂ from a covered fossil fuel, manufactured good that encapsulates CO ₂ , and export of fossil fuel product. Refunds for capture and storage or utilization are discounted by the amount of anticipated leakage.
<i>Climate Action Rebate Act</i>	Treasury secretary, in consultation with EPA administrator and other relevant agencies, can issue payments or refund in the amount of the carbon fee for the utilization or capture and secure storage of carbon dioxide. No payment will be issued to those receiving a credit under Sec. 45Q. Entities violating air quality regulations are excluded from the payment.
<i>Stemming Warming and Augmenting Pay Act</i>	Treasury secretary can issue credit or refund in the amounts equivalent to the metric tons of CO ₂ that is captured, sequestered or utilized from combustion of covered fuels in the United States.
<i>Raise Wages, Cut Carbon Act</i>	Treasury secretary can issue a credit or refund (without interest) in the amount of the tax for a taxable carbon substance that is not emitted.
<i>America Wins Act</i>	Treasury secretary can issue a credit or refund (without interest) in the amount of the tax for a taxable carbon substance for the capture and sequester of CO ₂ or use as feedstock that has no associated emission.
<i>MARKET CHOICE Act</i>	Treasury secretary can issue credit or refund in the amounts equivalent to the metric tons of CO ₂ that is captured and sequestered from combustion of fossil fuels or use as feedstock that has no associated emission.

PROPOSAL	BORDER ADJUSTMENT
<i>Energy Innovation and Carbon Dividend Act</i>	<p>A carbon border fee imposed on imported covered fuels and on carbon-intensive goods.</p> <p>A credit or refund (without interest) is issued to exporters of carbon-intensive goods.</p> <p>This fee would be suspended by a treaty or international agreement, or by a determination that a country has implemented a climate policy at least equivalent to the U.S. program.</p>
<i>Healthy Climate and Family Security Act</i>	<p>A carbon equivalency fee imposed on imported carbon-intensive goods.</p> <p>Reimbursement for permit equivalency fee (without interest) paid on exports.</p> <p>This fee would expire when exporting countries adopt equivalent measures, or when it is no longer deemed necessary.</p>
<i>American Opportunity Carbon Fee Act</i>	<p>An equivalency fee imposed on imported energy-intensive manufactured goods.</p> <p>Refund of carbon fee on exported energy-intensive manufactured goods.</p> <p>The equivalency fee and refund will be reduced for countries that have policies that reduce GHG emissions.</p>
<i>Climate Action Rebate Act</i>	<p>A carbon border fee imposed on imported covered fuels and on carbon-intensive goods.</p> <p>A credit or refund (without interest) is issued to exporters of carbon-intensive goods.</p> <p>Revenues from the carbon border fee could also be used to pay for land-based sequestration projects (limited to 5% of total emission reductions for a year), and direct air capture (no payment to those receiving a 45Q tax credit for the same unit of CO₂).</p>
<i>Stemming Warming and Augmenting Pay Act</i>	<p>A border tax adjustment is placed on imported covered goods and a rebate of the tax on exported covered goods.</p> <p>Covered goods are those from eligible industrial sectors (manufacturing sectors, metal ores, soda ash, and phosphate processors) and has a GHG intensity of at least 5% and a trade intensity of at least 15%.</p>
<i>Raise Wages, Cut Carbon Act</i>	<p>A tax is imposed on imported taxable product unless they were already taxed in their country of origin.</p> <p>A credit or refund (without interest) is issued to exporters of taxable substance.</p>
<i>America Wins Act</i>	<p>An equivalency fee imposed on imported carbon-intensive goods.</p> <p>Reimbursement of equivalency fee paid on exports.</p> <p>This fee expires when: an international climate agreement with equivalent measures comes into effect, when exporting countries adopt equivalent measures, or when it is deemed no longer necessary.</p>
<i>MARKET CHOICE Act</i>	<p>A border tax adjustment is placed on imported covered goods and a rebate of the tax on exported covered goods.</p> <p>Covered goods are those from eligible industrial sectors (manufacturing sectors, metal ores, soda ash, and phosphate processors) and has a GHG intensity of at least 5% and a trade intensity of at least 15%.</p>

PROPOSAL	USE OF REVENUE
<i>Energy Innovation and Carbon Dividend Act</i>	<p>Revenues from the program will be used to provide a monthly dividend to individuals with a valid Social Security number who are legally residing in the United States.</p> <p>A carbon dividend payment is one pro-rata share for each adult and half a pro-rata share for those under 19 years old, with a limit of 2 children per household.</p> <p>The dividend would be included in determining gross income for tax purposes.</p> <p>The carbon dividend amount will not be considered income when determining eligibility for federal assistance programs.</p>
<i>Healthy Climate and Family Security Act</i>	<p>Revenue from the program will be used to provide a monthly dividend to individuals with a valid Social Security number (other than a nonresident alien) who are legally residing in the United States.</p> <p>Any individual may opt out of receiving the trust fund dividend payment.</p> <p>The dividend would be excluded in determining gross income for tax purposes.</p>
<i>American Opportunity Carbon Fee Act</i>	<p>Revenues from the program will be used for:</p> <p>an annual inflation-adjusted tax credit (the lessor of 6.2% of the earned income of a taxpayer or \$900 adjusted for inflation);</p> <p>benefits to Social Security, veterans and others; and</p> <p>at least \$10 billion annually in state grants for low-income households and households to address increased energy costs, transition assistance for workers and businesses in energy-intensive and fossil-fuel industries.</p>
<i>Climate Action Rebate Act</i>	<p>Revenues from the program will be used to establish a Climate Action Rebate Fund.</p> <p>70% of the fund will be used to provide a monthly dividend to individuals with a valid Social Security number or a taxpayer identification number and is a citizen or lawful resident in the United States according to an income adjusted level scale.</p> <p>20% of the fund is used for infrastructure (e.g., transportation, water, rural broadband, climate resilience).</p> <p>5% of the fund is used for innovation supporting RD&D for technologies that reduce or eliminate greenhouse gas emissions (e.g., carbon capture, advanced nuclear, grid modernization, transportation).</p> <p>5% of the fund is used for transition assistance for workers.</p> <p>The Climate Action Rebate Fund will be phased out once emissions from covered fuels are 90% below 2017 levels, and the monthly carbon dividend payments to an adult has been less than \$20 for 3 consecutive years.</p>

PROPOSAL	USE OF REVENUE
<i>Stemming Warming and Augmenting Pay Act</i>	<p>Revenues from the program will be used:</p> <p>70% to reduce the payroll taxes, maintain the Social Security Trust Fund;</p> <p>10% to make equivalent payments to social security beneficiaries;</p> <p>20% of the evenly split between state block grants to help low-income households offset higher energy costs, and revenues to be used for climate adaptation, carbon sequestration, energy efficiency, and advanced R&D programs.</p>
<i>Raise Wages, Cut Carbon Act</i>	<p>Revenues from the program will be used:</p> <p>5% for the Low-Income Housing Energy Assistance Program;</p> <p>1% Weatherization Assistance Program;</p> <p>10% for social security beneficiaries; and</p> <p>remaining revenues (84%) for payroll tax offsets.</p>
<i>America Wins Act</i>	<p>From fiscal year 2020 to 2029, revenues from the program will be used to:</p> <p>\$1.2 trillion for infrastructure; and</p> <p>\$70 billion for transition assistance;</p> <p>Starting in 2020, 12.5% of the revenue will be used to provide a monthly energy refund to low-income households to offset higher energy costs.</p> <p>Remaining revenues will be used for an individual tax rebate. For those receiving an energy refund, the refund amount will be deducted from the tax credit.</p>
<i>MARKET CHOICE Act</i>	<p>The bill creates a trust and would allocate three-quarters of the revenue from the program to the trust for the following:</p> <p>70% for the Federal Highway Trust Fund;</p> <p>10% to states in the form of grants for low-income households;</p> <p>4% for flooding mitigation and adaptation infrastructure projects;</p> <p>3% for displaced energy workers;</p> <p>2.5% for the Airport and Airway Trust Fund;</p> <p>2.2% for carbon capture utilization and storage;</p> <p>1.5% for weatherization programs; and</p> <p>1.5% Abandoned Mine Reclamation Fund; and</p> <p>Remaining will be used for R&D and other purposes (e.g., Reforestation Trust Fund, support for carbon sequestration, and Leaking Underground Storage Trust Fund).</p>

PROPOSAL	TREATMENT OF FEDERAL GHG REGULATIONS
<i>Energy Innovation and Carbon Dividend Act</i>	<p>This bill will establish a moratorium for most stationary source GHG regulations under the Clean Air Act upon enactment of this act.</p> <p>The moratorium is lifted if emission reduction targets are not met before April 2030 and every 5 years thereafter. If the moratorium is lifted, the EPA administrator shall issue federal GHG regulations deemed necessary to bring emissions from covered fuels to levels that are at or below the emission reduction targets.</p>
<i>Healthy Climate and Family Security Act</i>	<p>Starting four years after enactment of this act, the EPA Administrator is required to start issuing regulations under the Clean Air Act (and any other applicable law) for greenhouse gas emissions not covered by their proposed cap-and-trade program or those directly attributable to food production</p>
<i>American Opportunity Carbon Fee Act</i>	<p>Not specified.</p>
<i>Climate Action Rebate Act</i>	<p>Not specified.</p>
<i>Stemming Warming and Augmenting Pay Act</i>	<p>This bill will establish a moratorium for most stationary source GHG regulations under the Clean Air Act upon enactment of this act and is maintained for 12 years.</p> <p>The moratorium is lifted if emissions exceed the specified emissions levels for 2025 or 2030.</p> <p>This bill does not limit EPA's ability to regulate GHG emissions based on its non-GHG impacts on health or welfare.</p>
<i>Raise Wages, Cut Carbon Act</i>	<p>This bill will establish a moratorium for most stationary source GHG regulations under the Clean Air Act upon enactment of this act.</p> <p>The moratorium is lifted if emission reduction targets are not met before April 2030 and every 5 years thereafter. If the moratorium is lifted, the EPA administrator shall issue federal GHG regulations deemed necessary to bring emissions from covered fuels to levels that are at or below the emission reduction targets.</p>
<i>America Wins Act</i>	<p>Not specified.</p>
<i>MARKET CHOICE Act</i>	<p>This bill will establish a rolling moratorium for most stationary source GHG regulations under the Clean Air Act upon enactment of this act and is maintained for 12 years.</p> <p>The moratorium is lifted if emissions exceed the specified emissions levels for 2025 or 2029.</p>

PROPOSAL	TREATMENT OF EXISTING STATE PROGRAMS
<i>Energy Innovation and Carbon Dividend Act</i>	Does not preempt or supersede state law or regulation.
<i>Healthy Climate and Family Security Act</i>	Does not preempt state and regional GHG programs.
<i>American Opportunity Carbon Fee Act</i>	Not specified.
<i>Climate Action Rebate Act</i>	Does not preempt or supersede state law or regulation.
<i>Stemming Warming and Augmenting Pay Act</i>	Starting in 2021, a covered entity will receive a credit for payment(s) on GHG emissions made under state programs. The amount of the credit will start at 100% of the amount paid under the state program, and then decline 20% annually. No credits will be provided beyond the fifth year.
<i>Raise Wages, Cut Carbon Act</i>	Not specified.
<i>America Wins Act</i>	Not specified.
<i>MARKET CHOICE Act</i>	Starting in 2021, a covered entity will receive a credit for payment(s) on GHG emissions made under state programs. The amount of the credit will start at 100% of the amount paid under the state program, and then decline 20% annually. No credits will be provided beyond the fifth year.

PROPOSAL	OTHER RELEVANT ITEMS
<i>Energy Innovation and Carbon Dividend Act</i>	Ten years after enactment of this act, the National Academies of Science is required to prepare a report to review the carbon fee program's impacts and efficacy in meeting the emission reduction targets, and to make recommendations to reduce emissions in economic sectors where carbon emissions have not decreased.
<i>Healthy Climate and Family Security Act</i>	N/A
<i>American Opportunity Carbon Fee Act</i>	Starting in 2022, directs Treasury to establish a program to collect data on methane leakage from fossil fuel sources, and directs Treasury Secretary to increase the fee assessed on covered fossil fuel products (i.e., coal, petroleum products, and natural gas).
<i>Climate Action Rebate Act</i>	N/A
<i>Stemming Warming and Augmenting Pay Act</i>	N/A
<i>Raise Wages, Cut Carbon Act</i>	N/A
<i>America Wins Act</i>	N/A
<i>MARKET CHOICE Act</i>	Extends the 45Q tax credit by 2 years. Would establish a bipartisan National Climate Commission to prepare a report to Congress with analysis and recommendations for reducing greenhouse gas emissions.



The Center for Climate and Energy Solutions (C2ES) is an independent, nonpartisan, nonprofit organization working to forge practical solutions to climate change. We advance strong policy and action to reduce greenhouse gas emissions, promote clean energy, and strengthen resilience to climate impacts.