

117TH CONGRESS  
2D SESSION

# H. R. 7871

To amend the Internal Revenue Code of 1986 to repeal fossil fuel subsidies for oil companies, to establish gas price rebates to individuals for 2022, and for other purposes.

---

## IN THE HOUSE OF REPRESENTATIVES

MAY 24, 2022

Mr. MCEACHIN (for himself, Mr. CASTEN, and Mr. BLUMENAUER) introduced the following bill; which was referred to the Committee on Ways and Means

---

## A BILL

To amend the Internal Revenue Code of 1986 to repeal fossil fuel subsidies for oil companies, to establish gas price rebates to individuals for 2022, and for other purposes.

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 “People Over Petroleum  
5 Act”.

1 **SEC. 2. AMORTIZATION OF GEOLOGICAL AND GEO-**  
2 **PHYSICAL EXPENDITURES.**

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

5 (1) by striking “24-month period” in paragraph

6 (1) and inserting “7-year period”, and

7 (2) by striking paragraph (5).

8 (b) EFFECTIVE DATE.—The amendment made by  
9 this section shall apply to amounts paid or incurred in tax-  
10 able years beginning after December 31, 2020.

11 **SEC. 3. PRODUCING OIL AND GAS FROM MARGINAL WELLS.**

12 (a) IN GENERAL.—Subpart D of part IV of sub-  
13 chapter A of chapter 1 of the Internal Revenue Code of  
14 1986 is amended by striking section 45I (and by striking  
15 the item relating to such section in the table of sections  
16 for such subpart).

17 (b) CONFORMING AMENDMENT.—Section 38(b) of  
18 such Code is amended by striking paragraph (19).

19 (c) EFFECTIVE DATE.—The amendment made by  
20 subsection (a) shall apply to credits determined for taxable  
21 years beginning after December 31, 2020.

22 **SEC. 4. ENHANCED OIL RECOVERY CREDIT.**

23 (a) IN GENERAL.—Subpart D of part IV of sub-  
24 chapter A of chapter 1 of the Internal Revenue Code of  
25 1986 is amended by striking section 43 (and by striking

1 the item relating to such section in the table of sections  
2 for such subpart).

3 (b) CONFORMING AMENDMENT.—Section 38(b) of  
4 such Code is amended by striking paragraph (6).

5 (c) EFFECTIVE DATE.—The amendments made by  
6 this section shall apply to amounts paid or incurred in tax-  
7 able years beginning after December 31, 2020.

8 **SEC. 5. INTANGIBLE DRILLING AND DEVELOPMENT COSTS**  
9 **IN THE CASE OF OIL AND GAS WELLS.**

10 (a) IN GENERAL.—Subsection (c) of section 263 of  
11 the Internal Revenue Code of 1986 is amended by adding  
12 at the end the following new sentence: “This subsection  
13 shall not apply to amounts paid or incurred by a taxpayer  
14 with respect to an oil or gas well after December 31,  
15 2020.”.

16 (b) EFFECTIVE DATE.—The amendment made by  
17 this section shall apply to amounts paid or incurred in tax-  
18 able years beginning after December 31, 2020.

19 **SEC. 6. REPEAL OF PERCENTAGE DEPLETION FOR OIL AND**  
20 **GAS WELLS.**

21 (a) IN GENERAL.—Part I of subchapter I of chapter  
22 1 of the Internal Revenue Code of 1986 is amended by  
23 striking section 613A (and the table of sections of such  
24 part is amended by striking the item relating to such sec-  
25 tion).

1 (b) CONFORMING AMENDMENTS.—

2 (1) Subsection (d) of section 45H of such Code  
3 is amended—

4 (A) by striking “For purposes of this sec-  
5 tion” and inserting the following:

6 “(1) IN GENERAL.—For purposes of this sec-  
7 tion”,

8 (B) by striking “(within the meaning of  
9 section 613A(d)(3))”, and

10 (C) by adding at the end the following new  
11 paragraph:

12 “(2) RELATED PERSON.—For purposes of this  
13 subsection, a person is a related person with respect  
14 to the taxpayer if a significant ownership interest in  
15 either the taxpayer or such person is held by the  
16 other, or if a third person has a significant owner-  
17 ship interest in both the taxpayer and such person.  
18 For purposes of the preceding sentence, the term  
19 ‘significant ownership interest’ means—

20 “(A) with respect to any corporation, 5  
21 percent or more in value of the outstanding  
22 stock of such corporation,

23 “(B) with respect to a partnership, 5 per-  
24 cent or more interest in the profits or capital of  
25 such partnership, and

1           “(C) with respect to an estate or trust, 5  
2           percent or more of the beneficial interests in  
3           such estate or trust.

4           For purposes of determining a significant ownership  
5           interest, an interest owned by or for a corporation,  
6           partnership, trust, or estate shall be considered as  
7           owned directly both by itself and proportionately by  
8           its shareholders, partners, or beneficiaries, as the  
9           case may be.”.

10           (2) Section 57(a)(1) of such Code is amended  
11           by striking the last sentence.

12           (3) Section 291(b)(4) of such Code is amended  
13           by adding at the end the following: “Any reference  
14           in the preceding sentence to section 613A shall be  
15           treated as a reference to such section as in effect  
16           prior to the date of the enactment of the End Oil  
17           and Gas Tax Subsidies Act of 2021.”.

18           (4) Section 613(d) of such Code is amended by  
19           striking “Except as provided in section 613A, in the  
20           case of” and inserting “In the case of”.

21           (5) Section 613(e) of such Code is amended—

22                   (A) by striking “or section 613A” in para-  
23                   graph (2), and

24                   (B) by striking “any amount described in  
25                   section 613A(d)(5)” in paragraph (3) and in-

1           serting “any lease bonus, advance royalty, or  
2           other amount payable without regard to produc-  
3           tion from property”.

4           (6) Section 705(a) of such Code is amended—

5                 (A) by inserting “and” at the end of para-  
6                 graph (1)(C),

7                 (B) by striking “; and” at the end of para-  
8                 graph (2)(B) and inserting a period, and

9                 (C) by striking paragraph (3).

10           (7) Section 993(c)(2)(C) of such Code is  
11           amended by striking “section 613 or 613A” and in-  
12           serting “section 613 (determined without regard to  
13           subsection (d) thereof)”.

14           (8) Section 1202(e)(3)(D) of such Code is  
15           amended by striking “section 613 or 613A” and in-  
16           serting “section 613 (determined without regard to  
17           subsection (d) thereof)”.

18           (9) Section 1367(a)(2) of such Code is amended  
19           by inserting “and” at the end of subparagraph (C),  
20           by striking “, and” at the end of subparagraph (D)  
21           and inserting a period, and by striking subparagraph  
22           (E).

23           (10) Section 1446(c) of such Code is amended  
24           by striking paragraph (2) and by redesignating  
25           paragraph (3) as paragraph (2).

1 (c) EFFECTIVE DATE.—The amendments made by  
 2 this section shall apply to property placed in service after  
 3 December 31, 2020.

4 **SEC. 7. REPEAL OF DEDUCTION FOR TERTIARY**  
 5 **INJECTANTS.**

6 (a) IN GENERAL.—Part VI of subchapter B of chap-  
 7 ter 1 of the Internal Revenue Code of 1986 is amended  
 8 by striking section 193 (and the table of sections of such  
 9 subpart is amended by striking the item relating to such  
 10 section).

11 (b) EFFECTIVE DATE.—The amendments made by  
 12 this section shall apply to taxable years beginning after  
 13 December 31, 2020.

14 **SEC. 8. REPEAL OF EXCEPTION TO PASSIVE LOSS LIMITA-**  
 15 **TIONS FOR WORKING INTERESTS IN OIL AND**  
 16 **GAS PROPERTIES.**

17 (a) IN GENERAL.—Section 469(c)(3) of the Internal  
 18 Revenue Code of 1986 is amended by adding at the end  
 19 the following new subparagraph:

20 “(C) TERMINATION.—Subparagraph (A)  
 21 shall not apply with respect to any taxable year  
 22 beginning after the date of the enactment of  
 23 this Act.”.

1 (b) EFFECTIVE DATE.—The amendment made by  
 2 this section shall apply to taxable years beginning after  
 3 December 31, 2020.

4 **SEC. 9. DEDUCTION FOR QUALIFIED BUSINESS INCOME**  
 5 **NOT ALLOWED WITH RESPECT TO OIL AND**  
 6 **GAS ACTIVITIES.**

7 (a) IN GENERAL.—Section 199A(c)(3)(B) of the In-  
 8 ternal Revenue Code of 1986 is amended by redesignating  
 9 clause (vii) as clause (viii), and by inserting after clause  
 10 (vi) the following new clause:

11 “(vii) The production, refining, proc-  
 12 essing, transportation, or distribution of  
 13 oil, gas, or any primary product thereof.”.

14 (b) EFFECTIVE DATE.—The amendments made by  
 15 this section shall apply to taxable years beginning after  
 16 December 31, 2020.

17 **SEC. 10. PROHIBITION ON USING LAST-IN, FIRST-OUT AC-**  
 18 **COUNTING FOR OIL AND GAS COMPANIES.**

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

22 “(h) OIL AND GAS COMPANIES.—

23 “(1) IN GENERAL.—Notwithstanding any other  
 24 provision of this section, a major integrated oil com-



pany may not use the method provided in subsection (b) in inventorying of any goods.

“(2) MAJOR INTEGRATED OIL COMPANY.—For purposes of this subsection, the term ‘major integrated oil company’ means, with respect to any taxable year, a producer of crude oil—

“(A) which has an average daily worldwide production of crude oil of at least 500,000 barrels for the taxable year,

“(B) which has gross receipts in excess of \$1,000,000,000 for the taxable year, and

“(C) the average daily refinery runs of the taxpayer and related persons for the taxable year exceed 75,000 barrels.

“(3) SPECIAL RULES.—

“(A) CRUDE PRODUCTION AND GROSS RECEIPTS.—For purposes of subparagraphs (A) and (B) of paragraph (2)—

“(i) CONTROLLED GROUPS AND COMMON CONTROL.—All persons treated as a single employer under subsections (a) and (b) of section 52 shall be treated as 1 person.

1           “(ii) SHORT TAXABLE YEARS.—In  
2           case of a short taxable year, the rule under  
3           section 448(c)(3)(B) shall apply.

4           “(B) AVERAGE DAILY REFINERY RUNS.—  
5           For purposes of paragraph (2)(C)—

6           “(i) IN GENERAL.—The average daily  
7           refinery runs for any taxable year shall be  
8           determined by dividing the aggregate refin-  
9           ery runs for the taxable year by the num-  
10          ber of days in the taxable year.

11          “(ii) RELATED PERSONS.—A person  
12          is a related person with respect to the tax-  
13          payer if a significant ownership interest in  
14          either the taxpayer or such person is held  
15          by the other, or if a third person has a sig-  
16          nificant ownership interest in both the tax-  
17          payer and such person.

18          “(iii) SIGNIFICANT OWNERSHIP IN-  
19          TEREST.—For purposes of clause (ii), the  
20          term ‘significant ownership interest’  
21          means—

22                 “(I) with respect to any corpora-  
23                 tion, 15 percent or more in value of  
24                 the outstanding stock of such corpora-  
25                 tion,

1 “(II) with respect to a partner-  
2 ship, 15 percent or more interest in  
3 the profits or capital of such partner-  
4 ship, and

5 “(III) with respect to an estate  
6 or trust, 15 percent or more of the  
7 beneficial interests in such estate or  
8 trust.

9 For purposes of determining a significant  
10 ownership interest, an interest owned by or  
11 for a corporation, partnership, trust, or es-  
12 tate shall be considered as owned directly  
13 both by itself and proportionately by its  
14 shareholders, partners, or beneficiaries, as  
15 the case may be.”.

16 (b) EFFECTIVE DATE AND SPECIAL RULE.—

17 (1) IN GENERAL.—The amendment made by  
18 subsection (a) shall apply to taxable years beginning  
19 after December 31, 2020.

20 (2) CHANGE IN METHOD OF ACCOUNTING.—In  
21 the case of any taxpayer required by the amendment  
22 made by this section to change its method of ac-  
23 counting for its first taxable year beginning after the  
24 date of the enactment of this Act—

1 (A) such change shall be treated as initi-  
 2 ated by the taxpayer,

3 (B) such change shall be treated as made  
 4 with the consent of the Secretary of the Treas-  
 5 ury, and

6 (C) the net amount of the adjustments re-  
 7 quired to be taken into account by the taxpayer  
 8 under section 481 of the Internal Revenue Code  
 9 of 1986 shall be taken into account ratably over  
 10 a period (not greater than 8 taxable years) be-  
 11 ginning with such first taxable year.

12 **SEC. 11. MODIFICATIONS OF FOREIGN TAX CREDIT RULES**

13 **APPLICABLE TO DUAL CAPACITY TAXPAYERS.**

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

18 “(n) SPECIAL RULES RELATING TO DUAL CAPACITY  
 19 TAXPAYERS.—

20 “(1) GENERAL RULE.—Notwithstanding any  
 21 other provision of this chapter, any amount paid or  
 22 accrued by a dual capacity taxpayer to a foreign  
 23 country or possession of the United States for any  
 24 period with respect to combined foreign oil and gas  
 25 income (as defined in section 907(b)(1)) shall not be

1 considered a tax to the extent such amount exceeds  
2 the amount (determined in accordance with regula-  
3 tions) which would have been required to be paid if  
4 the taxpayer were not a dual capacity taxpayer.

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

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

11 “(B) receives (or will receive) directly or  
12 indirectly a specific economic benefit (as deter-  
13 mined in accordance with regulations) from  
14 such country or possession.”.

15 (b) EFFECTIVE DATE.—

16 (1) IN GENERAL.—The amendments made by  
17 this section shall apply to taxes paid or accrued in  
18 taxable years beginning after December 31, 2020.

19 (2) CONTRARY TREATY OBLIGATIONS  
20 UPHELD.—The amendments made by this section  
21 shall not apply to the extent contrary to any treaty  
22 obligation of the United States.

1 **SEC. 12. CLARIFICATION OF TAR SANDS AS CRUDE OIL FOR**  
2 **EXCISE TAX PURPOSES.**

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

6 “(1) CRUDE OIL.—The term ‘crude oil’ includes  
7 crude oil condensates, natural gasoline, any bitumen  
8 or bituminous mixture, any oil derived from a bitu-  
9 men or bituminous mixture (including oil derived  
10 from tar sands), and any oil derived from kerogen-  
11 bearing sources (including oil derived from oil  
12 shale).”.

13 (b) REGULATORY AUTHORITY TO ADDRESS OTHER  
14 TYPES OF CRUDE OIL AND PETROLEUM PRODUCTS.—  
15 Subsection (a) of section 4612 of such Code is amended  
16 by adding at the end the following new paragraph:

17 “(10) REGULATORY AUTHORITY TO ADDRESS  
18 OTHER TYPES OF CRUDE OIL AND PETROLEUM  
19 PRODUCTS.—Under such regulations as the Sec-  
20 retary may prescribe, the Secretary may include as  
21 crude oil or as a petroleum product subject to tax  
22 under section 4611, any fuel feedstock or finished  
23 fuel product customarily transported by pipeline,  
24 vessel, railcar, or tanker truck if the Secretary deter-  
25 mines that—

1           “(A) the classification of such fuel feed-  
2           stock or finished fuel product is consistent with  
3           the definition of oil under the Oil Pollution Act  
4           of 1990, and

5           “(B) such fuel feedstock or finished fuel  
6           product is produced in sufficient commercial  
7           quantities as to pose a significant risk of haz-  
8           ard in the event of a discharge.”.

9           (c) TECHNICAL AMENDMENT.—Paragraph (2) of sec-  
10          tion 4612(a) of such Code is amended by striking “from  
11          a well located”.

12          (d) EFFECTIVE DATE.—The amendments made by  
13          this section shall take effect on the date of the enactment  
14          of this Act.

15       **SEC. 13. 2022 GAS PRICES REBATE.**

16          (a) IN GENERAL.—Subchapter B of chapter 65 of the  
17          Internal Revenue Code of 1986 is amended by inserting  
18          after section 6428B the following new section:

19       **“SEC. 6428C. 2022 GAS PRICES REBATE.**

20          “(a) IN GENERAL.—In the case of an eligible indi-  
21          vidual, there shall be allowed as a credit against the tax  
22          imposed by subtitle A for the first taxable year beginning  
23          in 2022 an amount equal to the 2022 gas prices rebate  
24          amount determined for such taxable year.

1       “(b) 2022 GAS PRICES REBATE AMOUNT.—For pur-  
2 poses of this section, the term ‘2022 gas prices rebate  
3 amount’ means, with respect to any taxpayer for any tax-  
4 able year, the sum of—

5               “(1) \$500 (\$1,000 in the case of a joint re-  
6 turn), plus

7               “(2) \$500 multiplied by the number of depend-  
8 ents of the taxpayer for such taxable year who had  
9 attained the age of 16 as of the close of such taxable  
10 year.

11       “(c) ELIGIBLE INDIVIDUAL.—For purposes of this  
12 section, the term ‘eligible individual’ means any individual  
13 other than—

14               “(1) any nonresident alien individual,

15               “(2) any individual who is a dependent of an-  
16 other taxpayer for a taxable year beginning in the  
17 calendar year in which the individual’s taxable year  
18 begins, and

19               “(3) an estate or trust.

20       “(d) DEFINITIONS AND SPECIAL RULES.—

21               “(1) DEPENDENT DEFINED.—For purposes of  
22 this section, the term ‘dependent’ has the meaning  
23 given such term by section 152.

24               “(2) IDENTIFICATION NUMBER REQUIRE-  
25 MENT.—



1           “(A) IN GENERAL.—In the case of a re-  
2           turn other than a joint return, the \$500  
3           amount in subsection (b)(1) shall be treated as  
4           being zero unless the taxpayer includes the  
5           valid identification number of the taxpayer on  
6           the return of tax for the taxable year.

7           “(B) JOINT RETURNS.—In the case of a  
8           joint return, the \$1,000 amount in subsection  
9           (b)(1) shall be treated as being—

10                  “(i) \$500 if the valid identification  
11                  number of only 1 spouse is included on the  
12                  return of tax for the taxable year, and

13                  “(ii) zero if the valid identification  
14                  number of neither spouse is so included.

15           “(C) DEPENDENTS.—A dependent shall  
16           not be taken into account under subsection  
17           (b)(2) unless the valid identification number of  
18           such dependent is included on the return of tax  
19           for the taxable year.

20           “(D) VALID IDENTIFICATION NUMBER.—

21                  “(i) IN GENERAL.—For purposes of  
22                  this paragraph, the term ‘valid identifica-  
23                  tion number’ means a social security num-  
24                  ber issued to an individual by the Social  
25                  Security Administration on or before the

1 due date for filing the return for the tax-  
2 able year.

3 “(ii) ADOPTION TAXPAYER IDENTI-  
4 FICATION NUMBER.—For purposes of sub-  
5 paragraph (C), in the case of a dependent  
6 who is adopted or placed for adoption, the  
7 term ‘valid identification number’ shall in-  
8 clude the adoption taxpayer identification  
9 number of such dependent.

10 “(E) SPECIAL RULE FOR MEMBERS OF  
11 THE ARMED FORCES.—Subparagraph (B) shall  
12 not apply in the case where at least 1 spouse  
13 was a member of the Armed Forces of the  
14 United States at any time during the taxable  
15 year and the valid identification number of at  
16 least 1 spouse is included on the return of tax  
17 for the taxable year.

18 “(F) COORDINATION WITH CERTAIN AD-  
19 VANCE PAYMENTS.—In the case of any payment  
20 determined pursuant to subsection (f)(6), a  
21 valid identification number shall be treated for  
22 purposes of this paragraph as included on the  
23 taxpayer’s return of tax if such valid identifica-  
24 tion number is available to the Secretary as de-  
25 scribed in such subsection.

1           “(G) MATHEMATICAL OR CLERICAL ERROR  
2           AUTHORITY.—Any omission of a correct valid  
3           identification number required under this para-  
4           graph shall be treated as a mathematical or  
5           clerical error for purposes of applying section  
6           6213(g)(2) to such omission.

7           “(3) CREDIT TREATED AS REFUNDABLE.—The  
8           credit allowed by subsection (a) shall be treated as  
9           allowed by subpart C of part IV of subchapter A of  
10          chapter 1.

11          “(e) COORDINATION WITH ADVANCE REFUNDS OF  
12          CREDIT.—

13               “(1) REDUCTION OF REFUNDABLE CREDIT.—  
14          The amount of the credit which would (but for this  
15          paragraph) be allowable under subsection (a) shall  
16          be reduced (but not below zero) by the aggregate re-  
17          funds and credits made or allowed to the taxpayer  
18          (or, except as otherwise provided by the Secretary,  
19          any dependent of the taxpayer) under subsection (f).  
20          Any failure to so reduce the credit shall be treated  
21          as arising out of a mathematical or clerical error  
22          and assessed according to section 6213(b)(1).

23               “(2) JOINT RETURNS.—Except as otherwise  
24          provided by the Secretary, in the case of a refund  
25          or credit made or allowed under subsection (f) with

1       respect to a joint return, half of such refund or cred-  
2       it shall be treated as having been made or allowed  
3       to each individual filing such return.

4       “(f) ADVANCE REFUNDS AND CREDITS.—

5               “(1) IN GENERAL.—Subject to paragraphs (5)  
6       and (6), each individual who was an eligible indi-  
7       vidual for such individual’s first taxable year begin-  
8       ning in 2020 shall be treated as having made a pay-  
9       ment against the tax imposed by chapter 1 for such  
10      taxable year in an amount equal to the advance re-  
11      fund amount for such taxable year.

12              “(2) ADVANCE REFUND AMOUNT.—

13                   “(A) IN GENERAL.—For purposes of para-  
14                  graph (1), the advance refund amount is the  
15                  amount that would have been allowed as a cred-  
16                  it under this section for such taxable year if  
17                  this section (other than subsection (e) and this  
18                  subsection) had applied to such taxable year.

19                   “(B) TREATMENT OF DECEASED INDIVID-  
20                  UALS.—For purposes of determining the ad-  
21                  vance refund amount with respect to such tax-  
22                  able year—

23                           “(i) any individual who was deceased  
24                           before January 1, 2022, shall be treated  
25                           for purposes of applying subsection (e)(2)

1 in the same manner as if the valid identi-  
2 fication number of such person was not in-  
3 cluded on the return of tax for such tax-  
4 able year (except that subparagraph (E)  
5 thereof shall not apply),

6 “(ii) notwithstanding clause (i), in the  
7 case of a joint return with respect to which  
8 only spouse is deceased before January 1,  
9 2022, such deceased spouse was a member  
10 of the Armed Forces of the United States  
11 at any time during the taxable year, and  
12 the valid identification number of such de-  
13 ceased spouse is included on the return of  
14 tax for the taxable year, the valid identi-  
15 fication number of 1 (and only 1) spouse  
16 shall be treated as included on the return  
17 of tax for the taxable year for purposes of  
18 applying subsection (e)(2)(B) with respect  
19 to such joint return, and

20 “(iii) no amount shall be determined  
21 under subsection (d)(2) with respect to any  
22 dependent of the taxpayer if the taxpayer  
23 (both spouses in the case of a joint return)  
24 was deceased before January 1, 2022.

1           “(3) TIMING AND MANNER OF PAYMENTS.—

2           The Secretary shall, subject to the provisions of this  
3           title and consistent with rules similar to the rules of  
4           subparagraphs (B) and (C) of section 6428A(f)(3),  
5           refund or credit any overpayment attributable to this  
6           subsection as rapidly as possible, consistent with a  
7           rapid effort to make payments attributable to such  
8           overpayments electronically if appropriate. No re-  
9           fund or credit shall be made or allowed under this  
10          subsection after December 31, 2022.

11          “(4) NO INTEREST.—No interest shall be al-  
12          lowed on any overpayment attributable to this sub-  
13          section.

14          “(5) APPLICATION TO INDIVIDUALS WHO HAVE  
15          FILED A RETURN OF TAX FOR 2021.—

16                 “(A) APPLICATION TO 2021 RETURNS  
17                 FILED AT TIME OF INITIAL DETERMINATION.—

18                 If, at the time of any determination made pur-  
19                 suant to paragraph (3), the individual referred  
20                 to in paragraph (1) has filed a return of tax for  
21                 the individual’s first taxable year beginning in  
22                 2021, paragraph (1) shall be applied with re-  
23                 spect to such individual by substituting ‘2021’  
24                 for ‘2020’.

25                 “(B) ADDITIONAL PAYMENT.—

1 “(i) IN GENERAL.—In the case of any  
2 individual who files, before the additional  
3 payment determination date, a return of  
4 tax for such individual’s first taxable year  
5 beginning in 2021, the Secretary shall  
6 make a payment (in addition to any pay-  
7 ment made under paragraph (1)) to such  
8 individual equal to the excess (if any) of—

9 “(I) the amount which would be  
10 determined under paragraph (1)  
11 (after the application of subparagraph  
12 (A)) by applying paragraph (1) as of  
13 the additional payment determination  
14 date, over

15 “(II) the amount of any payment  
16 made with respect to such individual  
17 under paragraph (1).

18 “(ii) ADDITIONAL PAYMENT DETER-  
19 MINATION DATE.—The term ‘additional  
20 payment determination date’ means the  
21 earlier of—

22 “(I) the date which is 90 days  
23 after the 2021 calendar year filing  
24 deadline, or

25 “(II) September 1, 2022.

1 “(iii) 2021 CALENDAR YEAR FILING  
2 DEADLINE.—The term ‘2021 calendar year  
3 filing deadline’ means the date specified in  
4 section 6072(a) with respect to returns for  
5 calendar year 2021. Such date shall be de-  
6 termined after taking into account any pe-  
7 riod disregarded under section 7508A if  
8 such disregard applies to substantially all  
9 returns for calendar year 2021 to which  
10 section 6072(a) applies.

11 “(6) APPLICATION TO CERTAIN INDIVIDUALS  
12 WHO HAVE NOT FILED A RETURN OF TAX FOR 2020  
13 OR 2021 AT TIME OF DETERMINATION.—In the case  
14 of any individual who, at the time of any determina-  
15 tion made pursuant to paragraph (3), has filed a tax  
16 return for neither the year described in paragraph  
17 (1) nor for the year described in paragraph (5)(A),  
18 the Secretary shall, consistent with rules similar to  
19 the rules of section 6428A(f)(5)(H)(i), apply para-  
20 graph (1) on the basis of information available to  
21 the Secretary and shall, on the basis of such infor-  
22 mation, determine the advance refund amount with  
23 respect to such individual.

24 “(7) SPECIAL RULE RELATED TO TIME OF FIL-  
25 ING RETURN.—Solely for purposes of this sub-



1 section, a return of tax shall not be treated as filed  
2 until such return has been processed by the Internal  
3 Revenue Service.

4 “(8) RESTRICTION ON USE OF CERTAIN PRE-  
5 VIOUSLY ISSUED PREPAID DEBIT CARDS.—Payments  
6 made by the Secretary to individuals under this sec-  
7 tion shall not be in the form of an increase in the  
8 balance of any previously issued prepaid debit card  
9 if, as of the time of the issuance of such card, such  
10 card was issued solely for purposes of making pay-  
11 ments under section 6428, 6428A, or 6428B.

12 “(g) REGULATIONS.—The Secretary shall prescribe  
13 such regulations or other guidance as may be necessary  
14 or appropriate to carry out the purposes of this section,  
15 including—

16 “(1) regulations or other guidance providing  
17 taxpayers the opportunity to provide the Secretary  
18 information sufficient to allow the Secretary to make  
19 payments to such taxpayers under subsection (f) (in-  
20 cluding the determination of the amount of such  
21 payment) if such information is not otherwise avail-  
22 able to the Secretary, and

23 “(2) regulations or other guidance to ensure to  
24 the maximum extent administratively practicable  
25 that, in determining the amount of any credit under

1 subsection (a) and any credit or refund under sub-  
2 section (f), an individual is not taken into account  
3 more than once, including by different taxpayers and  
4 including by reason of a change in joint return sta-  
5 tus or dependent status between the taxable year for  
6 which an advance refund amount is determined and  
7 the taxable year for which a credit under subsection  
8 (a) is determined.

9 “(h) OUTREACH.—The Secretary shall carry out a  
10 robust and comprehensive outreach program to ensure  
11 that all taxpayers described in subsection (g)(1) learn of  
12 their eligibility for the advance refunds and credits under  
13 subsection (f); are advised of the opportunity to receive  
14 such advance refunds and credits as provided under sub-  
15 section (g)(1); and are provided assistance in applying for  
16 such advance refunds and credits.”.

17 (b) TREATMENT OF CERTAIN POSSESSIONS.—

18 (1) PAYMENTS TO POSSESSIONS WITH MIRROR  
19 CODE TAX SYSTEMS.—The Secretary of the Treas-  
20 ury shall pay to each possession of the United States  
21 which has a mirror code tax system amounts equal  
22 to the loss (if any) to that possession by reason of  
23 the amendments made by this section. Such  
24 amounts shall be determined by the Secretary of the

1 Treasury based on information provided by the gov-  
2 ernment of the respective possession.

3 (2) PAYMENTS TO OTHER POSSESSIONS.—The  
4 Secretary of the Treasury shall pay to each posses-  
5 sion of the United States which does not have a mir-  
6 ror code tax system amounts estimated by the Sec-  
7 retary of the Treasury as being equal to the aggre-  
8 gate benefits (if any) that would have been provided  
9 to residents of such possession by reason of the  
10 amendments made by this section if a mirror code  
11 tax system had been in effect in such possession.  
12 The preceding sentence shall not apply unless the re-  
13 spective possession has a plan, which has been ap-  
14 proved by the Secretary of the Treasury, under  
15 which such possession will promptly distribute such  
16 payments to its residents.

17 (3) INCLUSION OF ADMINISTRATIVE EX-  
18 PENSES.—The Secretary of the Treasury shall pay  
19 to each possession of the United States to which the  
20 Secretary makes a payment under paragraph (1) or  
21 (2) an amount equal to the lesser of—

22 (A) the increase (if any) of the administra-  
23 tive expenses of such possession—

(i) in the case of a possession described in paragraph (1), by reason of the amendments made by this section, and

(ii) in the case of a possession described in paragraph (2), by reason of carrying out the plan described in such paragraph, or

(B) \$500,000 (\$10,000,000 in the case of Puerto Rico).

The amount described in subparagraph (A) shall be determined by the Secretary of the Treasury based on information provided by the government of the respective possession.

(4) COORDINATION WITH CREDIT ALLOWED AGAINST UNITED STATES INCOME TAXES.—No credit shall be allowed against United States income taxes under section 6428C of the Internal Revenue Code of 1986 (as added by this section), nor shall any credit or refund be made or allowed under subsection (f) of such section, to any person—

(A) to whom a credit is allowed against taxes imposed by the possession by reason of the amendments made by this section, or

(B) who is eligible for a payment under a plan described in paragraph (2).

1           (5) MIRROR CODE TAX SYSTEM.—For purposes  
2 of this subsection, the term “mirror code tax sys-  
3 tem” means, with respect to any possession of the  
4 United States, the income tax system of such posses-  
5 sion if the income tax liability of the residents of  
6 such possession under such system is determined by  
7 reference to the income tax laws of the United  
8 States as if such possession were the United States.

9           (6) TREATMENT OF PAYMENTS.—For purposes  
10 of section 1324 of title 31, United States Code, the  
11 payments under this subsection shall be treated in  
12 the same manner as a refund due from a credit pro-  
13 vision referred to in subsection (b)(2) of such sec-  
14 tion.

15       (c) ADMINISTRATIVE PROVISIONS.—

16           (1) DEFINITION OF DEFICIENCY.—Section  
17 6211(b)(4)(A) of the Internal Revenue Code of 1986  
18 is amended by striking “and 6428B” and inserting  
19 “6428B, and 6428C”.

20           (2) EXCEPTION FROM REDUCTION OR OFF-  
21 SET.—Any refund payable by reason of section  
22 6428C(f) of the Internal Revenue Code of 1986 (as  
23 added by this section), or any such refund payable  
24 by reason of subsection (b) of this section, shall not  
25 be—

1 (A) subject to reduction or offset pursuant  
2 to subsection (c), (d), (e), or (f) of section 6402  
3 of the Internal Revenue Code of 1986 or any  
4 similar authority permitting offset, or

5 (B) reduced or offset by other assessed  
6 Federal taxes that would otherwise be subject  
7 to levy or collection.

8 (3) CONFORMING AMENDMENTS.—

9 (A) Paragraph (2) of section 1324(b) of  
10 title 31, United States Code, is amended by in-  
11 serting “6428C,” after “6428B,”.

12 (B) The table of sections for subchapter B  
13 of chapter 65 of the Internal Revenue Code of  
14 1986 is amended by inserting after the item re-  
15 lating to section 6428A the following new item:

“Sec. 6428C. 2022 gas prices rebate.”.

○