

117TH CONGRESS  
2D SESSION

# H. R. 8737

To amend the Internal Revenue Code of 1986 to deny deductions for marketing related to the extraction, distribution, or consumption of fossil fuels.

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## IN THE HOUSE OF REPRESENTATIVES

AUGUST 19, 2022

Ms. PORTER (for herself and Mr. GRIJALVA) introduced the following bill;  
which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to deny deductions for marketing related to the extraction, distribution, or consumption of fossil fuels.

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 Subsidies for Fos-  
5       sil Fuel Advertising Act”.

1 **SEC. 2. DENIAL OF DEDUCTION FOR MARKETING RELATED**  
2 **TO EXTRACTION, DISTRIBUTION, OR CON-**  
3 **SUMPTION OF FOSSIL FUELS.**

4 (a) IN GENERAL.—Part IX of subchapter B of chap-  
5 ter 1 of the Internal Revenue Code of 1986 is amended  
6 by adding at the end the following new section:

7 **“SEC. 280I. MARKETING RELATED TO EXTRACTION, DIS-**  
8 **TRIBUTION, OR CONSUMPTION OF FOSSIL**  
9 **FUELS.**

10 “(a) IN GENERAL.—In the case of any covered per-  
11 son, no deduction shall be allowed under this chapter with  
12 respect to any amount paid or incurred for any of the fol-  
13 lowing if such amount is so paid or incurred for purposes  
14 of promoting extraction, exploration, or consumption of  
15 fossil fuels or for the purposes of promoting the covered  
16 person or a trade or business of the covered person (or  
17 any activity described in subsection (b) with respect to any  
18 fossil fuel):

19 “(1) Marketing expenses.

20 “(2) Travel expenses (including meals and lodg-  
21 ing).

22 “(3) Goods or services of a type generally con-  
23 sidered to constitute entertainment, amusement, or  
24 recreation, or the use of a facility in connection with  
25 providing such goods and services.

26 “(4) Gifts.

1 “(5) Other promotion expenses.

2 “(6) Any other development, production or  
3 placement (including any form of transmission,  
4 broadcast, publication, display, or distribution) of  
5 any communication to the general public (or por-  
6 tions thereof) which is intended to promote the cov-  
7 ered person or a trade or business of the covered  
8 person (or any service, facility, or product provided  
9 pursuant to such trade or business).

10 “(b) COVERED PERSON.—For purposes of this sec-  
11 tion, the term ‘covered person’ means—

12 “(1) any person involved in the manufacturing,  
13 production, extraction, refining, transportation, dis-  
14 tribution, or marketing of any fossil fuel, including  
15 any person involved in—

16 “(A) providing support activities for the  
17 production or extraction of fossil fuels, or

18 “(B) the sale (whether wholesale or retail)  
19 of fossil fuels, and

20 “(2) any person involved in electric power gen-  
21 eration, transmission, or distribution (with respect  
22 to electricity generated from any fossil fuel).

23 “(c) MARKETING.—For purposes of this section, the  
24 term ‘marketing’ means any advertising or marketing  
25 technique, including—

1           “(1) any sponsorship, endorsement, or product  
2           placement,

3           “(2) any promotional items or loyalty programs,

4           “(3) any licensing, cobranding, or cross-pro-  
5           motions,

6           “(4) in-school advertising including corporate-  
7           branded materials, corporate incentive programs,  
8           fundraisers, signs, scoreboards, posters, in-school TV  
9           and radio, corporate sponsorships, curriculum devel-  
10          opment, sponsored educational materials, and mar-  
11          ket research activities, and

12          “(5) sponsorship of events, competitions, con-  
13          ferences, and contests.

14          “(d) FOSSIL FUEL.—For purposes of this section,  
15          the term ‘fossil fuel’ means coal, petroleum, natural gas,  
16          natural gas liquids, or any derivative or byproduct of coal,  
17          petroleum, natural gas, or natural gas liquids that can be  
18          used for energy or energy applications.

19          “(e) DERIVATIVE.—For purposes of this section, the  
20          term ‘derivative’ means gasoline, diesel fuel, jet fuel, home  
21          heating oil, natural gas, blue hydrogen, or any other prod-  
22          uct derived from the refining or production of fossil fuels  
23          for the purposes of energy production or support for en-  
24          ergy production or energy generation.

1       “(f) REGULATIONS.—Not later than 1 year after the  
2 date of the enactment of this section, the Secretary, after  
3 consultation with the Chair of the Federal Trade Commis-  
4 sion, the Administrator of the Environmental Protection  
5 Agency, the Secretary of Energy, and the Secretary of the  
6 Interior, shall issue such regulations or other guidance as  
7 may be necessary or appropriate to carry out the purposes  
8 of this section.”.

9       (b) CLERICAL AMENDMENT.—The table of sections  
10 for part IX of subchapter B of chapter 1 of the Internal  
11 Revenue Code of 1986 is amended by adding at the end  
12 the following new item:

“Sec. 280I. Marketing related to extraction, distribution, or consumption of fos-  
sil fuels.”.

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

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