

The True Cost of Coal Act: Section-by-Section Summary

Section 1: Short Title

Section 2: Coal Mitigation Trust Fund

The legislation would establish a trust fund for the funds collected by excise tax on coal extracted in the United States. The monies held in the trust would be available to States that have more than 2,500,000 tons of coal transported through its borders annually.

The funds are allocated to the eligible States as a ratio based on population. States will be able to use the funds for specific purposes to mitigate the negative impacts of coal transportation by rail. These uses are: noise, vibration, traffic delays, pollution, and other threats to public health, and emergencies. State allocations can be carried over year to year, to ensure that States receive the most benefit.

The legislation also makes clear that this fund does not offset any expense that producers or transporters of coal are legally required to pay.

Section 3: Excise Tax on Coal Extraction

The legislation imposes a \$10 per ton of coal extracted.

Section 4: Extension of Recovery Period for Specified Coal Port Property

The legislation also sets the depreciation period for coal port property at 50 years, which is consistent with the 50 year depreciation period for other mining equipment.

Section 5: Covering Coal Cars

This section would impose a requirement that coal travelling by rail be covered or be treated to ensure no coal dust is released during transportation.