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(Original Signature of Member)

112TH CONGRESS
2D SESSION

H. R. _____

To amend the Internal Revenue Code of 1986 to establish the Coal Mitigation Trust Fund funded by the imposition of a tax on the extraction of coal, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. MCDERMOTT introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Internal Revenue Code of 1986 to establish the Coal Mitigation Trust Fund funded by the imposition of a tax on the extraction of coal, 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 “True Cost of Coal Act
5 of 2012”.

1 **SEC. 2. COAL MITIGATION TRUST FUND.**

2 (a) IN GENERAL.—Subchapter A of chapter 98 of the
3 Internal Revenue Code of 1986 is amended by adding at
4 the end the following new section:

5 **“SEC. 9512. COAL MITIGATION TRUST FUND.**

6 “(a) CREATION OF TRUST FUND.—There is estab-
7 lished in the Treasury of the United States a trust fund
8 to be known as the ‘Coal Mitigation Trust Fund’, con-
9 sisting of such amounts as may be appropriated or cred-
10 ited to such fund as provided in this section or section
11 9602(b).

12 “(b) TRANSFERS TO TRUST FUND.—There are here-
13 by appropriated to the Coal Mitigation Trust Fund
14 amounts equivalent to the taxes received in the Treasury
15 under section 4122 (relating to excise tax on coal extrac-
16 tion).

17 “(c) EXPENDITURES.—

18 “(1) IN GENERAL.—Except as otherwise pro-
19 vided in this subsection, amounts in the Coal Mitiga-
20 tion Trust Fund shall be available, as provided by
21 appropriation Acts, to eligible States for mitigation
22 of the following in connection with the transpor-
23 tation of coal by rail: noise, vibration, traffic delays,
24 pollution and other threats to public health, and
25 emergencies. Any amounts made available to an eli-
26 gible State under this paragraph shall remain avail-

1 able until expended for a purpose described in the
2 preceding sentence.

3 “(2) ALLOCATION AMONG STATES.—Any
4 amounts made available under paragraph (1) shall
5 be made available to the eligible States in an amount
6 which bears the same ratio to the population of such
7 State as the aggregate amount made available bears
8 to the aggregate populations of all the eligible
9 States.

10 “(3) ELIGIBLE STATES.—For purposes of this
11 subsection, the term ‘eligible State’ means any State
12 in which not less than 2,500,000 tons of coal per
13 year is transported by rail.

14 “(4) AMOUNTS MADE AVAILABLE NOT TO OFF-
15 SET REQUIRED EXPENDITURES.—Amounts made
16 available under paragraph (1) shall not be used di-
17 rectly or indirectly for any expense which any pro-
18 ducer or transporter of coal is legally required to
19 provide.”.

20 (b) CLERICAL AMENDMENT.—The table of sections
21 for subchapter A of chapter 98 of the Internal Revenue
22 Code of 1986 is amended by adding at the end the fol-
23 lowing new item:

 “Sec. 9512. Coal Mitigation Trust Fund.”.

1 **SEC. 3. EXCISE TAX ON COAL EXTRACTION.**

2 (a) IN GENERAL.—Subchapter B of chapter 32 of the
3 Internal Revenue Code of 1986 is amended by adding at
4 the end the following new section:

5 **“SEC. 4122. EXCISE TAX ON COAL EXTRACTION.**

6 “(a) IN GENERAL.—There is hereby imposed on the
7 extraction of coal in the United States a tax equal to \$10
8 per ton.

9 “(b) CROSS REFERENCE.—For definitions of ‘United
10 States’ and ‘ton’, see section 4121(e).”.

11 (b) CLERICAL AMENDMENT.—The table of sections
12 for subchapter B of chapter 32 of such Code is amended
13 by adding at the end the following new item:

“Sec. 4122. Excise tax on coal extraction.”.

14 (c) EFFECTIVE DATE.—The amendments made by
15 this section shall apply to coal extracted after the date
16 of the enactment of this Act.

17 **SEC. 4. EXTENSION OF RECOVERY PERIOD FOR SPECIFIED**
18 **COAL PORT PROPERTY.**

19 (a) 50-YEAR RECOVERY PERIOD FOR SPECIFIED
20 COAL PORTS.—

21 (1) IN GENERAL.—The table contained in sec-
22 tion 168(c) of the Internal Revenue Code of 1986 is
23 amended by striking the last row and inserting the
24 following:

“Any railroad grading, tunnel bore, or specified coal port property. 50 years”.

1 (2) ALTERNATIVE DEPRECIATION SYSTEM.—

2 The table contained in section 168(g)(2)(C) of such
3 Code is amended by striking “or water utility prop-
4 erty” and inserting “, water utility property, or
5 specified coal port property”.

6 (b) SPECIFIED COAL PORT PROPERTY.—Subsection
7 (e) of section 168 of such Code is amended by adding at
8 the end the following new paragraph:

9 “(9) SPECIFIED COAL PORT PROPERTY.—The
10 term ‘specified coal port property’ means any prop-
11 erty which is part of a port (including any wharfs,
12 stockyards, or conveyers) if—

13 “(A) it is reasonably anticipated at the
14 time that such property is placed in service that
15 such port will be used for the export of coal,
16 and

17 “(B) such port (after such property and
18 any related property is placed in service) would
19 have the capacity to export more than
20 1,000,000 tons of coal annually.”.

21 (c) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to property placed in service after
23 the date of the enactment of this Act.

1 **SEC. 5. COVERING COAL CARS.**

2 (a) AMENDMENT.—Subchapter II of chapter 201 of
3 title 49, United States Code, is amended by adding at the
4 end the following new section:

5 **“§ 20168. Covering coal cars.**

6 “The Secretary of Transportation shall issue regula-
7 tions to require all rail cars transporting coal to be covered
8 or to incorporate a suitable alternative technology that en-
9 sures that coal and coal dust do not escape the rail car
10 or are treated to significantly reduce or eliminate the re-
11 lease of coal dust or other particulate matter during trans-
12 portation.”.

13 (b) TABLE OF SECTIONS.—The table of sections for
14 subchapter II of chapter 201 of title 49, United States
15 Code, is amended by adding at the end the following:

“20168. Covering coal cars.”.