Comprehensive Section-by-Section of the Inflation Reduction Act

Akin Gump
STRAUSS HAUER & FELD LLP

August 4, 2022

Introduction

Sens. Joe Manchin (D-VA) and Chuck Schumer (D-NY) shocked Washington, D.C. when they announced an agreement around a budget reconciliation package that includes clean energy and health care provisions and tax reform. The Inflation Reduction Act of 2022 (IRA) is a significantly scaled-back version of the Democrat's Build Back Better (BBB) plan, with a much lower price tag and fewer programs, with many of the programs progressive Democrats had pushed for last year eliminated from this iteration. According to negotiators, the bill will raise $739 billion in revenue and invest $369 billion in energy security and climate change and another $64 billion to extend the Affordable Care Act (ACA).

The health care provisions include allowing Medicare to negotiate prescription drug prices directly with pharmaceutical manufacturers, establishing a Part D out-of-pocket annual cap of $2,000 and subsidizing ACA health insurance premiums. For energy security and climate change, the bill includes billions in clean energy tax credits, some of which are new since the House passed BBB in 2021. It also includes substantial funding for agricultural practice incentives, forestry programs, residential and commercial building efficiency programs, a methane fee for the oil and gas industry, parity between offshore/onshore renewables and oil & gas leasing, and a number of other provisions designed to promote the country's energy independence and response to climate change.

To pay for these programs, the reconciliation bill includes a 15 percent corporate minimum tax ($313 billion), prescription drug pricing reforms ($288 billion), termination of the carried interest deduction ($14 billion) and an increase in funding for IRS tax enforcement (anticipated to raise an additional $124 billion). The Congressional Budget Office estimates that the legislation would decrease the deficit by $102 billion between 2022-2031.

Before the Senate can consider the IRA, the Senate Parliamentarian will consider if each provision complies with the budget reconciliation's Byrd Rule, which requires that reconciliation provisions have a clear nexus to revenue and spending. If the Parliamentarian confirms that each provision complies with the Byrd Rule, Majority Leader Schumer will move quickly to bring the bill to the floor for a drawn-out amendment process and then final passage. As of this writing, all eyes are on Sen. Kyrsten Sinema (D-AZ) to see if she will provide Senate Democrats with the 50th vote to pass the reconciliation package and send it back to the House. Sen. Sinema has

Contact Information

Christopher A. Treanor
Counsel
ctreanor@akingump.com
Washington, D.C.
+1 202.887.4551

G. Hunter Bates
Partner
hbates@akingump.com
Washington, D.C.
+1 202.887.4147

Brian A. Pomper
Partner
bpomper@akingump.com
Washington, D.C.
+1 202.887.4134

Susan H. Lent
Partner
slent@akingump.com
Washington, D.C.
+1 202.887.4558

Kenneth J. Markowitz
Partner
kmarkowitz@akingump.com
Washington, D.C.
+1 202.887.4513

Shariff N. Barakat
Partner
sbarakat@akingump.com
Washington, D.C.
+1 202.887.4030

Zachary M. Rudisill
Partner
zrudisill@akingump.com
Washinton, D.C.
+1 202.887.4225

Aaron Vera
Associate
avera@akingump.com
Dallas
+1 214.969.4231

previously stated her opposition to ending the carried interest deduction and has reportedly requested changes to the bill related to drought resiliency funding and other tax items.

If the Senate passes the IRA bill, which could happen as quickly as the end of this week, Speaker Nancy Pelosi (D-CA) is then expected to call the House back into session to pass the Senate's version of the IRA and send it to President Biden for his signature. One complicating factor in the House is the group of Democrats, mostly representing districts in the northeast and mid-Atlantic, who have demanded Democrats use reconciliation to repeal a cap on state and local tax (SALT) deductions that were part of the Tax Cuts and Jobs Act of 2017.

This document includes a comprehensive section-by section for the IRA prior to the "Byrd bath" and floor amendment process.

Inflation Reduction Act – Section by Section of Relevant Tax Provisions

Title I Committee on Finance

Subtitle A – Deficit Reduction

Corporate Alternative Minimum Tax: Implements a 15 percent alternative minimum tax (AMT), on the adjusted financial statement income of any corporation that has an average annual adjusted financial statement income over $1 billion for the preceding three years. Foreign-parented companies would also be subject to the $1 billion threshold so long as their U.S.-connected income exceeds $100 million. Adjusted financial statement income is determined by reference to the income set forth on the corporation's GAAP financial statements with adjustments made for income from controlled foreign corporations, disregarded entities, certain taxes paid, and partnerships, among others. Corporation's would be able to use losses incurred after 12/31/19 against up to 80 percent minimum tax liability, and would also be able to use tax credits to offset up to 75 percent of AMT. The AMT has an effective date of 12/31/22. (Sec. 10101).

Modification of Rules for Partnership Interests Held in Connection with the Performance of Services: This provision would extend the three-year investment holding period in Section 1061 – a requirement for accessing the lower long-term capital gains tax rates available for carried interest – to five years for taxpayers with adjusted gross income of $400,000 or more. Importantly, the five-year clock wouldn't start ticking until the later of 1) when the fund has acquired substantially all of its investments, or 2) when the fund manager has acquired substantially all of the carry (which could expand the practical impact of the rule to apply to nearly all hedge funds). Further, Treasury was given regulatory authority to address the use of so-called carry waivers (or management fee waivers) to avoid the impacts of the tax changes. (Sec. 10201).

Enhancement of the Internal Revenue Service Resources: Authorizes the appropriation of funds, approximately $80 billion, to remain available until 2031 for the IRS. Within six months of enactment, the Commissioner of the IRS is directed to submit a plan for how these funds will be appropriated over ten years. (Sec. 10301).

Louis T. Agnello
Associate
lagnello@akingump.com
Washington, D.C.
+1 202.887.4206

Heide Bajnrauh
Senior Policy Advisor
hbajnrauh@akingump.com
Washington, D.C.
+1 202.887.4206

Julie E. Nolan
Senior Policy Advisor
jnolan@akingump.com
Washington, D.C.
+1 202.887.4213

Michael S. Barnard
Senior Policy Advisor
mbarnard@akingump.com
Washington, D.C.
+1 202.887.4036

Eric C. Ettorre
Policy Advisor
eettorre@akingump.com
Washington, D.C.
+1 202.887.4235

Sean Feely
Policy Advisor
sfeely@akingump.com
Washington, D.C.
+1 202.416.5537

Madison Hughes
Public Policy Specialist
mchughes@akingump.com
Washington, D.C.
+1 202.419.4655

Leila Fleming
Public Policy Specialist
flemingl@akingump.com
Washington, D.C.
+1 202.416.5099

Josué Silva
Public Policy Specialist
jsilva@akingump.com
Washington, D.C.
+1 202.416.4177

Joshua A. Gohlke
Public Policy Specialist
jgohlke@akingump.com
Washington, D.C.
+1 202.416.5183

Katie Malloy
Public Policy Specialist
kmalloy@akingump.com
Washington, D.C.
+1 202.416.5144

- $3,181,500,000 is authorized for the IRS to provide taxpayer services.
- $45,637,400,000 is authorized for IRS tax enforcement activities, including determination of and collection of owed taxes, legal and litigation support, criminal investigations, digital asset monitoring and compliance activities, and enforcement of criminal statutes related to violations.
- $25,326,400,000 is authorized for the IRS to support taxpayer services and enforcement programs, including rent payments; facilities services; printing; postage; physical security; headquarters and other IRS-wide administration activities; research and statistics of income; telecommunications; and information technology development, enhancement, operations, maintenance, and security.
- $4,750,700,000 is authorized for IRS business systems modernization programs, including development of call-back technology and other customer service technology.
- Within nine months of enactment of this section, the IRS is directed to deliver a report on the cost of developing and running a free direct e-file system, taxpayer opinions and expectations of such a system, and opinions of an independent third party on the feasibility of and approach for such a system. $15,000,000 is authorized for this report.
- $403,000,000 is authorized to remain available until 2031 for the Treasury Inspector General to carry out the Inspector General Act of 1978.
- $104,533,803 is authorized for Office of Tax Policy functions and promulgation of regulations.
- $153,000,000 is authorized for the United States Tax Court.
- $50,000,000 is authorized for oversight and implementation support by the Departmental Offices of the Treasury.

Subtitle D – Energy Security

Part One – Clean Electricity and Reducing Carbon Emissions

Extension and Modification of Credit for Electricity Produced from Certain Renewable Resources. Extends the production tax credit (PTC) for facilities that being construction before January 1, 2025. In addition to the existing eligible technologies of wind, biomass, municipal solid waste, geothermal, hydropower and marine and hydrokinetic energy, this section revives the PTC for solar facilities and extends the PTC for geothermal facilities. Facilities placed in service after December 31, 2021 are eligible to receive full value credits under this section. Facilities may receive a base credit rate of 0.3 cents per kilowatt hour or a bonus credit rate of 1.5 cents per kilowatt hour, so long as they fulfill prevailing wage and apprenticeship requirements. The credit remains subject to an inflation adjustment and the bonus rate would be 2.6 cents per kilowatt hour in 2022. Facilities that satisfy domestic content requirements will receive an increased rate of 10 percent. The credit rate may also be increased by an additional ten percent for qualified facilities in an energy community. This section eliminates the credit rate reduction for hydroelectric production and marine and hydrokinetic renewable energy. Finally, this section modifies the rule that reduces the credit available based on tax-exempt bond financing involvement with a facility. (Sec. 13101).

Extension and Modification of Energy Credit. Extends the energy investment tax credit for facilities that begin construction before January 1, 2035. This section establishes a two or six percent base credit rate, depending on the technology, for facilities that are placed in service after December 31, 2021. For bonus credit rates of either 10 or 30 percent to be claimed, prevailing wage and apprenticeship requirements must be fulfilled. However, there is an exception to the prevailing wage and apprenticeship requirements for facilities smaller than one megawatt (measured in alternating current) and facilities that begin construction within 60 days of the issuance of IRS guidance on the prevailing wage and apprenticeship requirements. The eligible technologies would be expanded to include energy storage technology, qualified biogas property (not related to electricity generation), microgrid controllers, and linear generators, in addition to the currently-eligible technologies that include solar photovoltaic property. Furthermore, a six percent base rate and 30 percent bonus rate is available for certain geothermal heat pump properties, with the base rate and bonus rate reducing depending on the year construction begins (beginning in 2034). This section also creates a new credit for costs of interconnection and transmission equipment that is necessary for other eligible electricity-generating energy property that is under five MW in size. Properties that meet domestic content requirements are eligible for an increased base rate of two percentage points and an increased bonus rate of 10 percentage points. Under this section, base rate percentages may be increased by two percentage points and the bonus rate by 10 percentage points if a property is placed within an energy community (certain brownfield sites, areas with significant employment relating coal, oil or natural gas, and areas with retired coal-fired power plants). This section also includes a new rule that provides for a reduction in the credit available to the extent a project is financed using tax-exempt bonds. (Sec. 13102).

Increase in Energy Credit for Solar and Wind Facilities Placed in Service in Connection with Low-Income Communities. Incentivizes qualified solar and wind facilities for ITC for environmental justice solar and wind capacities. This section establishes an annual capacity limitation of 1.8 gigawatts for 2023 and 2024; however, unused allocations may be carried over to the following year to increase the capacity limit. Projects must apply to Treasury to be eligible for these additional incentives. Projects eligible to apply must be under five MW in size and (i) located in a low-income community, (ii) located on Indian land, (iii) located on low-income residential buildings and providing benefits to the occupants, and (iv) otherwise provide at least 50 percent of their financial benefit to low-income persons. If a project is allocated capacity in the program, the additional incentive is a 10 percentage point increase to the credit rate in the case of projects listed in (i), (ii) and (iii) above, and 20 percentage points in the case of projects listed in (iv) above.

Extension and Modification of Credit for Carbon Oxide Sequestration: Extends the existing Section 45Q credit program by extending the start of construction deadline to January 1, 2033 (rather than January 1, 2025). The minimum capture oxide threshold (denominated in metric tons per taxable year) would be relaxed and would vary across the different sources of qualified carbon oxide being captured. Direct air capture facilities enjoy the lowest threshold and may be eligible for the credit provided they capture at least 1,000 metric tons. Conversely, electricity generating facilities have the highest minimum threshold (18,750 metric tons) and are also subject to an additional ratio requirement whereby such facilities must capture at least 75 percent of the "baseline" carbon oxide (as determined by the methodology provided by the Act) emitted from each unit on which carbon capture technology is used. The minimum annual carbon capture for all other facilities is at least 12,500 metric tons. Like it's ITC and PTC counterparts, Section 45Q would now incorporate a two-tiered base and bonus structure based on meeting certain additional criteria prescribed in the Act. First, the Act retains the existing preference for sequestration rather than enhanced oil recovery operations and offers base credits of $17 for sequestration and $12 for EOR. An additional bonus credit rate is available when taxpayers meet (1) the prevailing wage requirement during the construction period and for each year in the 12-year credit period and (2) satisfy the apprenticeship requirement during the project's construction that would increase the available credit to $85 per metric ton for sequestration and $60 per metric ton for EOR. In addition to the previously mentioned minimum capture threshold, the special regime for Direct Air Capture facilities also provides larger base and bonus credits to such facilities ($36 base/$180 bonus for sequestration, $26 base/$130 for EOR). If tax-exempt bonds are used to finance carbon capture equipment, the amount of credit allowed for such equipment is reduced by up to 15 percent depending on the amount of tax-exempt financing. The provisions of this section generally apply to facilities or equipment placed in service after December 31, 2022. (Sec. 13104).

Zero-Emission Nuclear Power Production Credit. Establishes a new tax credit (Section 45U) for existing merchant nuclear power owners/operators at a base credit rate of 0.3 cent/kilowatt hour with potential to increase to 1.5 cent/kilowatt hour provided certain prevailing wage requirements are met. Credit is subject to a claw back as electricity rates increase. This clawback is equal to 80 percent of the excess of gross receipts from electricity produced and sold over the product of 2.5 cents multiplied by electricity sold. The tax credit begins in 2024 and ends in 2032. (Sec. 13105).

Part Two – Clean Fuels

Extension of Incentives for Biodiesel, Renewable Diesel and Alternative Fuels. Extends the various existing income and excise tax credits in Section 40A(g) for biodiesel and renewable diesel, biodiesel mixtures, alternative fuels and alternative fuel mixtures until December 31, 2024. This extension applies to fuel sold or used after December 31, 2021. (Sec. 13201).

Extension of Second Generation Biofuel Incentives. Extends the existing Section 40(b) credits for second-generation biofuels produced after December 31, 2021 and before January 1, 2025. (Sec. 13202).

Sustainable Aviation Fuel Credit: Creates a new income and excise tax credit under Section 40B for qualified mixture of sustainable aviation fuel sold or used for the period between December 31, 2022 through December 31, 2024. In order to qualify, sustainable aviation fuel must result in at least 50 percent less greenhouse gas emissions than petroleum-based jet fuel. The base credit amount is $1.25 per gallon with a proportionate increase for additional emissions reductions up to $1.75 per gallon. (Sec. 13203).

Clean Hydrogen: Creates a production tax credit of up to $3.00/kg (with the option to elect for an ITC in lieu) under Section 45V for clean hydrogen produced in the U.S. at a clean hydrogen production facility for 10 years starting on the date such facility is placed in service. The credit is available to facilities that being construction before

January 1, 2033. In order to be eligible, the facility must produce hydrogen with a carbon intensity of less than four kilograms of CO2e per kilogram of hydrogen produced. The annual credit amount is calculated by multiplying the kilograms of clean hydrogen produced by $0.60 multiplied again by a scaling adjustment ("applicable percentage") based on the carbon intensity of the hydrogen produced. Along with annual inflation adjustments, Section 45V also extends the two-tier base and bonus credit regime based on satisfying certain prevailing wage rates for the construction period and apprenticeship requirements during project construction. Taxpayers that satisfy such requirements are eligible for a bonus credit of up to five times the base credit amount. Section 45V extends a similar regime when a taxpayer elects to claim an ITC in lieu of a PTC and offers a base ITC credit of up to 6 percent and a bonus ITC credit of up to 30 percent. These amounts are subject to a reduction of up to 15 percent if a clean hydrogen facility financed using tax-exempt bonds begins construction after the date of enactment of this section. Section 45Q credits cannot be claimed with respect to clean hydrogen projects that claim the Section 45V credits (i.e., "blue hydrogen" cannot claim both 45Q and 45V), but Section 45 and Section 48 credits can be claimed on renewables generation assets that power clean hydrogen projects that claim the 45V credits (i.e., "green hydrogen" can claim both 45/48 and 45V). The Secretary must issue the regulations and guidance to carry out this section no later than one year after the enactment of this section. (Sec. 13204).

Part 3 – Clean Energy and Efficiency Incentives for Individuals

Extension, Increase, and Modifications of Nonbusiness Energy Property Credit: Extends expiration of the Nonbusiness Energy Property Credit from December 31, 2021 to December 31, 2032. This provision would permit annual tax credits equal to 30 percent of the amount paid for qualified energy efficiency improvements and residential energy property expenditures. While subject to certain specific limitations across various types of upgrades (e.g., windows, doors), this credit is generally subjected to a total $1,200 annual limitation. The provision also qualifies energy efficiency improvements and energy property expenditures, which would include a variety of energy properties and improvements that meet or exceed the highest efficiency tier established by the Consortium for Energy Efficiency. It establishes a product identification number requirement for qualified energy property placed in service after December 31, 2024. This provision also adds a tax credit (limited to $150) for home energy audits conducted by certified home energy auditors that provide the most significant and cost-effective energy efficiency improvements provided the taxpayer meets certain substantiation requirements. (Sec. 13301).

Residential Clean Energy Credit. Extends the tax credit under Section 25D to December 31, 2034, which provides federal income tax credits for investments in residential clean energy (e.g., solar, wind, fuel cell). The credit rate is applied to the cost of such property at the rate of 30 percent for property placed in service between 2022 to 2032, 26 percent in 2033 and 22 percent in 2034. The new provision would eliminate the tax credit for biomass fuel property and replace it with a credit for certain battery storage technology with a capacity of no less than three-kilowatt hours. (Sec. 13302).

Energy Efficient Commercial Buildings Deduction. Raises the tax deduction under Section 179D for commercial building construction from $1.80 per square foot to up to $2.50-$5.00 per square foot based on extent of energy efficiency and provided certain wage and apprenticeships requirements are satisfied. The Act expands eligibility for the deduction by decreasing the minimum efficiency requirement from 50 percent to 25 percent. Further, it creates an alternative deduction for energy-efficient improvements and renovations of existing properties, allowing for a similar $2.50-5.00 per square foot credit for retrofitting buildings five years or older with energy-efficient technology. Application of the new and increased deductions applies to dwelling units acquired after December 31, 2022, and the overall extension of the credit applies to dwelling units acquired after December 31, 2021. Additionally, the section amends section 179D to permit tax exempt organizations to participate in the program by allocating the section 179D deduction for the installation of an energy-efficient commercial building on land owned by a tax-exempt entity to the "person primarily responsible for designing the property," as opposed to the owner for both new construction and retrofitted buildings. (Sec. 13303).

Extension, Increase, and Modifications of New Energy Efficient Home Credit. Extends the energy-efficient home credit in Section 45L through December 31, 2032. Increases the credit amounts for single-family dwelling units that meet the proper Energy Star Single-Family New Homes National Program Requirements or most recent Energy Star Manufactured Home National program requirements to $2,500. Such units that are also certified zero energy homes would receive a $5,000 credit. Moreover, multi-family dwelling units that meet the applicable Energy Star Multifamily New Construction National Program Requirements can receive a $500 credit. If such a multi-family unit is a certified zero energy home, may receive a $1,000 credit. If residences that are part of an eligible building meet certain prevailing wage requirement a bonus credit amount is available at $2,500 for eligible residences and $5,000 for those certified as zero energy. (Sec. 13304).

Part 4 – Clean Vehicles

Clean Vehicle Credit. Enhances the Section 30D tax credit for certain new clean vehicles. Such vehicles are eligible for a maximum total credit of $7,500, of which (i) $3,750 is based on the amount of critical minerals contained in the battery that are extracted in a country with which the U.S. has a free trade or have been recycled in North America and (ii) the remaining $3,750 is based on the value of the components of the battery manufactured or assembled in North America. The threshold amounts required to qualify for each $3,750 component of the maximum $7,500 credit increase over time. The section also raises the minimum battery capacity requirement from four kilowatt hours to seven kilowatt hours and requires that final assembly of a vehicle must be within North America. Moreover, vehicles cannot contain battery components manufactured by a foreign entity of concern after 2023 or critical minerals extracted, processed, or recycled by a foreign entity of concern after 2024. Next, the section requires that clean vehicles be sold by a qualified manufacturer, i.e., one who enters into an agreement with the Secretary to ensure that each clean manufactured vehicle meets the requirements for the clean vehicle credit outlined in this section. Importantly, the per-manufacturer limitation on the number of vehicles that can qualify for the credit would be eliminated. The Secretary must issue proposed guidance for the clean vehicle credit requirements no later than December 31, 2022. Credits may not be issued to taxpayers earning a modified adjusted gross income that exceeds $300,000 for joint returns, $225,000 for a head of household, or $150,000 for all other taxpayers. Further, no credit can be issued for vehicles with a retail price exceeding $80,000 for vans, sport utility vehicles and pickup trucks and $55,000 for other vehicles. Taxpayers can transfer the credit to the vehicle dealer if the dealer is registered as an eligible entity with the Secretary and if the dealer disclosed the suggested retail price, the value of the credit allowed, and the amount provided to the taxpayer as a condition of the transfer. The section requires the Secretary to establish a program to make advance payments for the cumulative amount of transferred credits to eligible dealers. The credit transfer provisions would apply to vehicles sold after December 31, 2023, and credits would not be allowable for vehicles placed in service after December 31, 2032. The Secretary must issue proposed guidance for the clean vehicle credit requirements no later than December 31, 2022. (Sec. 13401).

Previously Owned Vehicle Credit. Applies a tax credits for used clean vehicles at the lesser of $4,000 or 30 percent of the sale price of that vehicle. These credits are limited to taxpayers with adjusted gross incomes of $150,000 for married couples filing jointly, $112,500 for heads of household and $75,000 for all other taxpayers. Qualifying used cars include model years at least two years earlier than the year the vehicle was purchased. Further, the sales price of such vehicles cannot exceed $25,000, and the credit can only be used on the first sale of the used vehicle following the enactment of the credit. Qualified buyers can only use the clean used vehicle credit once every three years. Vehicles bought after December 30, 2032, do not qualify for the credit. Credits can be transferred under the same rules outlined in the clean vehicle credit section. (Sec. 13402).

Qualified Commercial Clean Vehicles. Creates the qualified commercial clean vehicle credit, which is equal to 30 percent of the incremental cost of the vehicle not powered by an internal combustion engine with a maximum credit of (i) $7,500 for vehicles weighing less than 14,000 pounds, and $40,000 for all other vehicles. The credit rate would be reduced to 15 percent for vehicles powered by an internal combustion engine. The incremental cost is defined as the excess of the purchase price for such a vehicle over the purchase price of a comparable vehicle in terms of size and use that is powered solely by a gasoline or diesel internal combustion engine. If the vehicle is not a qualifying fuel cell motor vehicle, the battery must be capable of being charged from an external source and be at least seven kilowatt hours for vehicles weighing less than 14,000 pounds and 15 kilowatt hours for other vehicles. Vehicles receiving this credit must be subject to an allowance for depreciation and (i) meet certain requirements for the clean vehicle credit and also be manufactured primarily for use on public streets, roads, and highways, or (ii) be mobile machinery (as defined in Section 4053(8) of the Code). Vehicles that received a clean vehicle credit cannot receive this credit, and vehicles acquired after December 31, 2032 are not eligible. (Sec. 13403).

Alternative Fuel Refueling Property Credit. Extends the federal income tax credit on the cost of any qualified alternative fuel vehicle refueling property through 2032. This credit would have a six percent base rate and thirty percent bonus rate structure based on prevailing wage requirements for property subject to recapture, and otherwise 30 percent regardless. The credit is allowable on costs up to $100,000 of the cost of the alternative refueling property and 20 percent on any cost above $100,000. The provision lifts the one project per property limit and also extends the tax credit to bidirectional charging, which allows for electricity to flow to and from the grid or home and the connected electric vehicle. It also extends the credit to qualified electric charging stations for certain vehicles with two or three wheels. Beginning in 2023, the credit will only be available for projects located in certain designated geographies (low-income census tracts or non-urban areas). (Sec. 13404).

Part 5 – Investment in Clean Energy Manufacturing and Energy Security

Extension of The Advanced Energy Project Credit. Amends 26 U.S. Code § 48C to expand the qualifications for and allocation of advanced energy project credits. The section specifies that within 180 days of this bill's enactment, a program must be implemented by Treasury to grant certification to applications by credit project sponsors. The modification allows the Secretary to allocate an additional $10 billion in tax credits to qualifying projects, $4 billion which must be set aside for projects in census tracts in which a coal mine or coal power plant is closed. Upon implementation of this program, project sponsors will be given two years from the time of their application submission to prove that all requirements of eligibility have since been met and two years after the certification of credits to publicly service the project. Eligibility requirements similar to the old 48C apply, although eligibility is expanded to include projects to establish, expand, or re-equip facilities for the production, manufacturing, or recycling or advanced grid, energy storage, and fuel cell equipment; equipment for the production of low-carbon fuels, chemicals, and related products; renewable energy and energy efficiency equipment; equipment for the capture, removal, use, or storage of carbon dioxide; and advanced light-, medium-, and heavy-duty vehicles and related components and infrastructure.

Advanced Manufacturing Production Credit. Provides an outline of credits available to those who produce materials used for clean energy production in trade or business with an unrelated person. Materials eligible for such credits as outlined in this section are those used for the production of:

- Solar Modules
- Wind Turbines and Offshore Vessels
- Torque Tubes
- Structural Fasteners
- Inverters
- Electrode Active Materials
- Battery Cells
- Battery Modules
- Applicable Critical Minerals

The text provides specific definitions and requirements for purpose, capacity, and context of production for such materials, as well as the credit rates that apply to each specification, respectively. The section also includes phase-outs on these credits beginning in 2030, which impose a reduction of 25 percent per year between 2030 and 2033, when the credit becomes completely phased out (however, the phase-out does not apply to the credits for critical minerals). (Sec. 13502).

Part 6 – Superfund

Reinstatement of Superfund: Reinstates the Hazardous Substance Superfund Financing Rate on crude oil and imported petroleum products at a rate of 16.4 cents per gallon, an increase from the original 9.7 cents per gallon. Beginning in 2023, the rate is subject to a cost-of-living adjustment pegged to the rate of inflation. (Sec. 13601).

Part 7 – Incentives for Clean Electricity and Clean Transportation

Clean Energy Production Credit. Establishes a new emissions-based production tax credit under Section 45Y that would be neutral and flexible between clean electricity technologies. Taxpayers are able to choose between a production tax credit under section 45Y (as created by this section of the Act) or an investment tax credit under section 48D (as created by the next section of the Act and described below). Projects would qualify for Section 45Y credits based on grams of carbon dioxide equivalents emitted per KWh generated and either sold to a third party or metered and used by the taxpayer over the ten-year period beginning when the project is placed into service. This credit would contain a base rate and bonus rate structure similar to the modifications to the existing Section 45 credits, and the base amount for the credit is would be 0.3 cents or and the bonus amount for projects that satisfy prevailing wage and apprenticeship requirements would be 1.5 cents. Such rates would continue to be adjusted for inflation. Qualified facilities include facilities used to generate electricity that are in service after December 31, 2024, with a greenhouse gas emissions rate no greater than zero, or, for facilities that combust a fuel, with greenhouse gas emissions below a threshold set by the Secretary of Energy. The section requires the Secretary of Energy to publish greenhouse gas emissions thresholds for various categories of facilities. The credits will phase out upon the later of when certain emission targets are met or after 2032. The Secretary of Energy must issue guidance on the implementation of the clean energy production credit by January 1, 2025. (Sec. 13701).

Clean Energy Investment Credit. Creates a new Section 48D that would provide a clean energy investment credit for eligible clean energy investments, structured as a technology-neutral incentive similar to proposed Section 45Y (described in the previous section). This credit would utilize a six percent base rate and 30 percent bonus rate structure similar to the modifications to the existing Section 48 credits. Facilities must be placed into service after December 31, 2024, and are subject to the same greenhouse gas rate requirements as in proposed Section 45Y. Further, facilities that receive a clean energy production credit outlined in the previous section cannot receive a clean energy investment credit. Similar to proposed Section 45Y, the credits will phase out upon the later of when certain emission targets are met or after 2032, and the Secretary of Energy must issue guidance on the implementation of the clean energy production credit by January 1, 2025. (Sec. 13702).

Cost Recovery for Qualified Facilities, Qualified Property, And Energy Storage Technology. Amends Section 168(e)(3)(B) and states that any facility described in the clean electricity production credit (proposed Section 45Y), the clean energy investment credit (proposed Section 48D) or any energy storage technology shall be treated as a five-year property under GDS. (Sec. 13703).

Clean Fuel Production Credit. Establishes a credit (adjusted for inflation per annum) for qualified sustainable transportation fuel produced after December 31, 2024, and sold before December 31, 2027. For non-aviation fuel, the provision establishes the base amount of 20 cents per gallon for fuel produced at a qualified facility and $1.00 per gallon of fuel produced at a qualified facility that meets prevailing wage requirements. For aviation fuel, the provision increases the rates to 35 cents and $1.75, respectively. (Sec. 13704).

Part 8 – Credit Monetization and Appropriations

Elective Payment for Energy Property and Electricity Produced from Certain Renewable Resources, etc. This section makes many of the clean energy credits, including the credits for solar, wind, carbon capture, clean hydrogen and others, refundable. However, this generally only applies to tax exempts, government entities, Indian tribes and certain other organizations, and is not broadly available to all taxpayers. Credits related to carbon capture, clean hydrogen and clean energy manufacturing are refundable for all taxpayers (not just tax exempts), but only for the first five years of the credit period for most credits, after which the credits again become nonrefundable for those taxpayers. For tax exempts, it appears that the refundable option is only available for property held directly by the tax exempts and not property held in partnerships with taxable entities. This provision is applicable beginning in 2023. However, a new provision has been added to the legislation that would allow the credits accruing to taxpayers not eligible for the foregoing refundable credit election to be sold. Under this election, a taxpayer may elect to transfer eligible credits, which include solar, wind and energy storage credits, to another taxpayer. The payment made by the purchasing taxpayer would not be deductible to the purchaser nor includable in income of the seller of the credit. The seller of the credit would continue to reduce the tax basis of the credit-generating property by 50 percent of the credit sold in the case of investment tax credits. Certain aspects of the mechanics of this new credit transfer provision are not explicitly detailed in the proposed statutory text, such as all of the mechanics of tax credit recapture for transferred credits. This credit transfer mechanism is available for credits earned after 2022. (Sec. 13801).

Appropriations. Appropriates $500 million to the Internal Revenue Service from unappropriated Treasury funds to supplement (but not replace) similar funding. (Sec. 13802).

Part 9 – Other Provisions

Permanent Extension of Tax Rate to Fund Black Lung Disability Trust Fund. Permanently extends the $1.10 and $0.55 tax rates for surface and underground coal mines. The section also permanently extends the tax rate limit of 4.4 percent of the coal sales price (Sec. 13901).

Increase in Research Credit Against Pay-Roll Tax for Small Businesses. Eliminates the maximum payroll tax deduction of $250,000 and the 5-year taxable year limit for small business research credits. Next, the section adds an additional $250,000 in research credits for small businesses in taxable years beginning after December 31, 2022. Eligible small businesses can claim this additional $250,000 against Medicare payroll taxes (Sec. 13902).

Inflation Reduction Act – Section by Section of Relevant Health Care Provisions

Subtitle B—Prescription Drug Pricing Reform

Part 1—Lowering Prices Through Drug Price Negotiation

Providing for Lower Prices for Certain High-Priced Single Source Drugs: Amends Title XI of the Social Security Act (SSA) to establish a Drug Price Negotiation Program managed by the Secretary of Health and Human Services (HHS). The Secretary is tasked with publishing a list of selected drugs, entering into agreements with drug manufacturers, negotiating and renegotiating prices, and enforcing compliance and monitoring, including by issuing civil monetary penalties. The Secretary must select 10 Part D negotiation-eligible drugs for the initial 2026 price applicability year, 15 Part D drugs for 2027, 15 Part D or Part B drugs for 2028, and 20 eligible Part D or Part B drugs for 2029 and subsequent years. The initial list of eligible drugs must be published by September 1, 2023. The negotiation period would begin on either the date the Secretary enters into a negotiation agreement or February 28 following the selected drug publication date, depending on which date is earlier. Eligible drugs would be selected from the 50 Medicare B drugs and 50 Medicare D drugs with the highest program expenditures. However, there are exceptions for “small biotech drugs” and certain orphan drugs that are designated for only one rare disease or condition and for which the only approved indication is for such a disease or condition. Agreements remain in place until a drug is no longer considered a “selected drug” for negotiation purposes. The Secretary will publish the maximum fair price for each drug negotiated by November 30 of the year that is two years prior to the initial price applicability year. Maximum fair price is capped by how long the drug has been on the market and is defined as: 1) 75 percent of the Average Manufacturer Price (AMP) for those drugs on the market 9-11 years, 2) 65 percent of AMP for those 12-15 years, and 3) 40 percent of AMP for those drugs on the market 16 years or more. Determinations of eligible negotiation and renegotiation-eligible drugs, qualifying single-source drugs, selection of drugs and maximum fair price are not subject to administrative or judicial review. (Sec. 11001)

Special Rule to Delay Selection and Negotiation of Biologics for Biosimilar Market Entry: Amends Part E of Title XI of the SSA to clarify procedures under which biological products are included in the list of selected drugs. Allows the Secretary of HHS to exclude from negotiation biosimilar products if the Secretary determines there is a “high likelihood” that a biosimilar product will be licensed and marketed within two years following the selected drug publication date. This determination would be based on whether a biosimilar application has been accepted for review, or approved, by the Food and Drug Administration (FDA), and the manufacturer requesting the delay provides “clear and convincing evidence” that the biosimilar will be marketed within the specified time period. Outlines the process and documentation required for the consideration of delays for inclusion in the selected drug list. If the Secretary denies the delay request, the biologics manufacturer is required to pay a rebate enforceable by civil monetary penalty. (Sec. 11002)

Selected Drug Manufacturer Excise Tax Imposed During Noncompliance Periods: Amends Subtitle D of the Internal Revenue Code of 1986 to impose an excise tax on sales of selected drugs occurring during noncompliance periods. The applicable percentage of the excise tax is 65 percent during the first 90 days, 75 percent from the 91st through the 180th day, 85 percent from the 181st day through the 270th day, and 95 percent for subsequent days. Sales timed for the purpose of avoiding the excise tax may be treated as having occurred during the enforceable time period. Excise tax payments are not deductible and are exempted from the appeals process. (Sec. 11003)

Funding: Appropriates an additional $3 billion to the Centers for Medicare & Medicaid Services from unused fiscal year 2022 Treasury funding. (Sec. 11004)

Part 2—Prescription Drug Inflation Rebates

Medicare Part B Rebate by Manufacturers: Establishes a rebate by manufacturers for single source drugs and biologics when price increases outpace the rate of inflation. Beginning in 2023, the Secretary of HHS must report billing and excess sale price information for all applicable Part B drugs, after which the manufacturer must provide a specified quarterly rebate for any applicable Part B drug. The Secretary may delay the timeframe for information reporting in 2023 and 2024. The Secretary may establish a civil monetary penalty for noncompliance equal to at least 125 percent of the applicable rebate. Appropriates $80 million in fiscal year 2022 and $7.5 million for fiscal years 2023 through 2031 to the Centers for Medicare & Medicaid Services to implement this provision. (Sec. 11101)

Medicare Part D Rebate by Manufacturers: Establishes a rebate for selected Part D drugs whose price increases outpace the rate of inflation with rebates due July 1, 2024. The Secretary of HHS must report relevant information to manufacturers for the purpose of determining the rebate amount, and the manufacturer must provide a rebate equal to the determined amount within 30 days of receiving the report from the Secretary. The Secretary may delay the timeframe for reporting the information and rebate amount during a transition period between 2022 and 2025, but not implementation. Manufacturers that fail to comply are subject to a civil monetary penalty equal to 125 percent of the rebate amount. (Sec. 11102)

Part 3—Part D Improvements and Maximum Out-of-Pocket Cap for Medicare Beneficiaries

Medicare Part D Benefit Redesign: Amends Section 1860D-2(b) of the SSA to adjust the annual out-of-pocket threshold for prescription drugs. Establishes an out-of-pocket annual cap of $2,000 beginning in 2025 and a formula for determining the cap in subsequent years and amends the formula for determining reinsurance payment amounts. Creates a manufacturer discount program beginning in 2025 to allow the Secretary of HHS to enter into agreements with drug manufacturers regarding discounted prices for applicable drugs. Manufacturers must enter into agreements by March 1, 2024, for an agreement to be in effect beginning in 2025. For subsequent years, the deadline is quarterly or a “semi-annual deadline established by the Secretary.” Includes a phase-in period for specified small manufacturers and provisions to calculate and stabilize premiums through fiscal year 2029 and beyond. (Sec. 11201)

Maximum Monthly Cap on Cost-Sharing Payments Under Prescription Drug Plans and MA-PD Plans: Amends Section 1860D-2(b) of the SSA to create a maximum monthly cap on cost-sharing payments beginning in 2025 and directs Prescription Drug Plan sponsors and Medicare Advantage organizations offering plans to provide beneficiaries with the option to pay copays in monthly installments. Appropriates $10 million to the Centers for Medicare & Medicaid Services for the purpose of implementing this provision. (Sec. 11202)

Part 4—Repeal of Prescription Drug Rebate Rule

Prohibiting Implementation of Rule Relating to Eliminating the Anti-Kickback Statute Safe Harbor Protection for Prescription Drug Rebates: Repeals the HHS rule scheduled to take effect in 2026 that would remove the safe harbor exemption for rebates applied after the point-of-sale. (Sec. 11301)

Part 5—Miscellaneous

Coverage of Adult Vaccines Recommended by the Advisory Committee on Immunization Practices Under Medicare Part D: Establishes a program to eliminate cost-sharing for Medicare Part D beneficiaries for vaccines recommended by the Centers for Disease Control (CDC) and Prevention's Advisory Committee on Immunization Practices beginning in 2023. (Sec. 11401)

Payment for Biosimilar Biological Products During Initial Period: Amends Section 1847(A) of the SSA and establishes the amount payable for biosimilar products furnished on or after July 1, 2024, for the initial period when Average Sales Price is unavailable. (Sec. 11402)

Temporary Increase in Medicare Part B Payment for Certain Biosimilar Biological Products: Amends Section 1847(A) of the SSA to update the add-on payment for biosimilars from six percent of the reference product average sales price to eight percent for the five-year period from 2022 through 2027. (Sec. 11403)

Expanding Eligibility for Low-Income Subsidies Under Part D of the Medicare Program: Increases the eligibility threshold for low-income subsidies for individuals below 150 percent of the federal poverty line beginning in 2024. (Sec. 11404)

Improving Access to Adult Vaccines Under Medicaid and CHIP: Amends Section 1902 of the SSA by requiring coverage of certain adult vaccinations under Medicaid and eliminating some cost sharing. Increases the Federal Medical Assistance Percentage (FMAP) by one percent for adult vaccines and their administration. Requires the coverage of approved, recommended adult vaccines and their administration under CHIP for individuals age 19 and older and eliminates cost sharing. (Sec. 11405)

Subtitle C—Affordable Care Act Subsidies

Improve Affordability and Reduce Premium Costs of Health Insurance for Consumers: Amends the Internal Revenue Code of 1986 to extend Affordable Care Act enhanced premium tax credits through the end of 2025. (Sec. 12001)

Inflation Reduction Act – Section by Section of Relevant Climate, Energy and Infrastructure Provisions

Title II Committee on Agriculture, Nutrition and Forestry

Subtitle B - Conservation

Additional Agricultural Conservation Investments. Appropriates approximately $20 billion to the Department of Agriculture (USDA) for environmental quality incentives, conservation stewardship, agricultural conservation easement and regional conservation partnership programs. Projects that improve soil carbon, reduce nitrogen losses, decrease greenhouse gas (GHG) emissions or sequester GHG emissions are prioritized. (Sec. 21001).

Conservation Technical Assistance. Appropriates $1 billion to the Natural Resources Conservation Service for conservation technical assistance and $300 million to deliver a carbon sequestration and GHG emissions quantification program. (Sec. 21002).

Title II Committee on Agriculture, Nutrition and Forestry

Subtitle C - Rural Development

Additional Funding for Electric Loans for Renewable Energy. Appropriates $1 billion to USDA for the cost of generating electricity from renewable sources for resale to rural and nonrural residents, including electricity storage projects. (Sec. 22001).

Rural Energy for America Program. Appropriates about $1 billion to USDA for hydrogen and fuel cell technology programs for rural and agricultural communities under the Farm Security and Rural Investment Act of 2002. This section also provides grants and loans guaranteed by the Secretary of Agriculture relating for underutilized renewable energy technologies. (Sec. 22002).

Biofuel Infrastructure and Agriculture Product Market Expansion. Amends the Farm Security and Rural Investment Act (P. L. 107 - 171) and appropriates $500 million to USDA for competitive grants to increase the sale and use of agricultural commodity-based fuels. More specifically, grant recipients may install, retrofit or upgrade fuel dispensing infrastructure for certain biofuel blends, as well as build and retrofit home heating oil or equivalent distribution systems for ethanol and biodiesel blends. Eligible entities include individuals, corporations, farm cooperatives, farmer associations, national laboratories and higher education institutions. (Sec. 22003).

USDA Assistance for Rural Electric Cooperatives. Amends the Farm Security and Rural Investment Act (P. L. 107 - 171) and appropriates $9.7 billion to USDA for assisting the long-term resiliency, reliability and affordability of rural electric systems. Funding can also be used to support zero-emissions systems and carbon capture systems to reduce GHG emissions. (Sec. 22004).

Additional USDA Rural Development Administrative Funds. Appropriates $100 million to USDA to cover administrative costs associated with this subtitle. (Sec. 22005).

Title II Committee on Agriculture, Nutrition and Forestry

Subtitle D - Forestry

National Forest System Restoration and Fuels Reduction Projects. Appropriates $1.8 billion to USDA for hazardous fuels reduction projects within the National Forest System, $200 million to vegetation management projects within the National Forest System, $100 million for more efficient and effective environmental reviews by the Forest Services and $50 million to develop activities for the protection of old-growth forests within the National Forest System. Projects that require an environmental assessment, are collaboratively developed or include opportunities to restore sustainable recreation infrastructure within the National Forest System lands are prioritized under this section. (Sec. 23001).

Competitive Grants for Non-Federal Forest Landowners. Appropriates funds to the Secretary of Agriculture in the following amounts: $150 million for a competitive grant program to carry out climate mitigation or forest resilience practices; $150 million for a competitive grant program that assists underserved forest landowners in accessing private markets for climate mitigation or forest resilience; $100 million for a competitive grant program to support certain forest landowners in accessing private markets for climate mitigation; $50 million for a competitive grant program to support eligible entities in providing payments to owners of private forest land for implementation of carbon sequestration and storage practices; and $100 million to support the wood innovation grant program in constructing new facilities to transfer material removed to reduce hazardous fuels. (Sec. 23002).

State and Private Forestry Conservation Programs. Appropriates $700 million for USDA to award competitive grants to states through the Forest Legacy Program to assist in obtaining land, with priority given to projects that offer natural carbon isolation benefits. Furthermore, this section appropriates $1.5 billion for competitive grants for projects that plant trees and engage in related activities. (Sec. 23003).

Limitation. Prohibits the Secretary of Agriculture from using funds within this subtitle to enter into certain agreements beyond September 30, 2031, or use other funds available to fulfill subtitle obligations. (Sec. 23004).

Administrative Costs. Distributes $100 million to USDA for administrative costs. (Sec. 23005).

Title III Committee on Banking, Housing and Urban Affairs

Enhanced Use of Defense Production Act. Appropriates $5 million to carry out the Defense Production Act of 1950 (P. L. 81 – 774). (Sec. 30001).

Improving Energy Efficiency or Water Efficiency or Climate Resilience of Affordable Housing. Appropriates $837.5 million to the Department of Housing and Urban Development (HUD) for direct loans and grants to fund projects that improve energy efficiency, water efficiency, indoor air quality or sustainability; projects that implement low-emission technologies, materials or processes and projects that address climate resilience. Furthermore, this section also appropriates $60 million for the Secretary to administer and oversee the implementation of the program; $60 million for expenses of contracts administered by the HUD Secretary; $42.5 million for energy and water benchmarking, and the associated data analysis and evaluation, of properties eligible to receive grants or loans. Eligible recipients include owners or sponsors of low-income housing and housing for the elderly or disabled. (Sec. 30002).

Title IV Committee on Commerce, Science and Transportation

Investing in Coastal Communities and Climate Resilience. Appropriates $2.6 billion to the National Oceanic and Atmospheric Administration (NOAA) within the Department of Commerce (DOC) for direct expenditures, contracts, grants, cooperative agreements or technical assistants to support the conservation, restoration and protection of coastal and marine habitats and resources to enable coastal communities to prepare for extreme storms and other changing climate conditions. Eligible grant recipients include coastal states, local and tribal governments, nonprofit organizations, institutions of higher education and the District of Columbia. (Sec. 40001).

Facilities of the NOAA and National Marine Sanctuaries. Appropriates $150 million to the NOAA at the DOC for the construction of new facilities such as piers, marine operation facilities and fisheries laboratories. Furthermore, this section also appropriates $50 million for the construction of facilities that support the national marine sanctuary system. (Sec. 40002).

NOAA Efficient and Effective Reviews. Appropriates $20 million to the NOAA at the DOC to conduct more efficient, accurate and timely reviews for the planning, permitting and approving of hiring and training of personnel; of purchasing technical and scientific services and equipment; of improving agency transparency, accountability and public engagement. (Sec. 40003).

Oceanic and Atmospheric Research and Forecasting for Weather and Climate. Appropriates $150 million to the NOAA at the DOC to accelerate advances and improvements in research, observation systems, modeling, forecasting, assessment and dissemination of information pertaining to ocean and atmospheric process related to weather, coasts, oceans and climate as well as projects authorized under the Weather Research and Forecasting Innovation Act of 2017 (P. L. 115 – 25). Furthermore, this section also appropriates $50 million for competitive grants that fund climate research relating to weather, ocean, coastal and atmospheric process and conditions as well as the impacts to marine species and coastal habitats. (Sec. 40004).

Computing Capacity and Research for Weather, Oceans and Climate. Appropriates $190 million to the NOAA for the procurement of additional high-performance computing, data processing capacity, data management and storage assets as well as projects authorized under the High-Performance Computing Act (P. L. 102 – 194) and the Weather Research and Forecasting Innovation Act of 2017 (P. L. 115 – 25). (Sec. 40005).

Acquisition of Hurricane Forecasting Aircraft. Appropriates $100 million to the NOAA for the acquisition of a hurricane hunter aircraft. (Sec. 40006).

Alternative Fuel and Low-Emission Aviation Technology Program. Appropriates funds to the Department of Transportation to award competitive grants for projects that produce, transport, blend or store sustainable aviation fuel or that develop, demonstrate or apply low-emission aviation technologies. The section appropriates about $244.5 million for projects for the production, transportation, blending or storage of sustainable aviation fuel; about $46.5 million for projects for low-emission aviation technologies; and about $5.9 million for the funding of awards of grants and the oversight of programs.

Eligible applicants include state, local and territorial governments; air carriers; airport sponsors; institutions of higher education; research institutions; individuals engaged in the production, transportation or storage of domestic sustainable aviation fuel or its feedstocks; individuals engaged in the development, demonstration or application of low-emission aviation technologies; and nonprofit organizations. Recipients are required to contribute 25 percent of the total project cost; however, applicants who are either a small hub or nonhub airport are only required to provide a 10 percent cost share. The provision also establishes a fuel emissions reduction test to ensure fuels' lifecycle GHG emissions meet the requirements of the provision, as well as a definition of sustainable aviation fuel that includes, among other criteria, that the fuel provides a

50 percent reduction in GHG lifecycle emissions compared to petroleum-based jet fuel. (Sec. 40007).

Title V Committee on Energy and Natural Resources

Subtitle A - Energy

Home Energy Performance-Based, Whole-House Rebates. Appropriates $4.3 million to establish a program to extend grants, up to $4,000 or 50 percent of the cost of a project, to a HOMES rebate program to provide homeowners and aggregators rebates for house energy saving retrofits. Rebate applicants must provide a plan outlining reductions in home energy use, comparisons in monthly and hourly weather-normalized energy use before and after the retrofit, value savings and quality monitoring. This section encourages the HOMES rebate program to provide rebates to low- and moderate-income households. Additionally, USDA is obligated to coordinate with state energy offices to ensure the program maximizes GHG reductions and household energy and cost savings. (Sec. 50121).

High-Efficiency Electric Home Rebate Program. Appropriates about $4.3 billion to state energy offices and $225 million to Tribal governments to assist with developing high-efficiency electric home rebate programs. Applicants must present a plan to verify income eligibility for those seeking a rebate, ensure that those seeking a rebate will not receive multiple rebates for the same project and any additional information required by the Department of Energy (DOE). The high-efficiency home rebate program will provide rebates to low- or moderate-income households for qualified electrification projects and qualified entities that complete electrification projects for low- or moderate-income communities. This section defines “qualified electrification projects” as projects that purchase and install various electric heat pumps, an electric stove or oven, an electric load service center, insulation, materials to improve ventilation or electric wiring. (Sec. 50122).

State-Based Home Energy Efficiency Contractor Training Grants. Appropriates $200 million to implement programs to train and educate contractors in the installation of home energy efficiency and electrification improvements, including projects eligible for rebates under the HOMES or high-efficiency electric home rebate programs. This section allows states to use funds to reduce the cost of training contractors, provide testing and certification of contractors, and partner with non-profit organizations to develop contracting training programs. (Sec. 50123).

Assistance for Latest and Zero Building Energy Code Adoption. Appropriates $1 billion for grants to assist certain entities adopt building codes for residential buildings that meet or exceed the 2021 International Energy Conservation Code and commercial buildings that meet or exceed the ANSI/ASHRAE/IES standards. Additionally, grants will assist in implementing plans to achieve compliance with the aforementioned energy codes. Entities that may benefit from this grant include local governments that have the authority to adopt building codes. (Sec. 50131).

Funding for the DOE Loan Program Office. Appropriates $3 billion for the Secretary of Energy to provide loans to eligible projects under section 1703 of the Energy Policy Act of 2005, including projects for: renewable energy systems, advancing fossil energy technology, hydrogen fuel cell technology, advanced nuclear energy facilities, carbon capture and sequestration projects, efficient electric generation and end-use energy technologies, producing fuel efficient vehicles, pollution control equipment and refineries. This section also allows the Secretary of Energy to make commitments to guarantee loans for the aforementioned programs up to a total principal amount of $40 billion. (Sec. 50141).

Advanced Technology Vehicle Manufacturing. Appropriates $3 billion for the Secretary of Energy to make direct loans for the cost of establishing or expanding U.S. manufacturing facilities that produce advanced technology vehicles or components with low or zero GHG emissions. This section also eliminates the loan program cap of $25 billion established in the Energy Independence and Security Act of 2007. (Sec. 50142).

Domestic Manufacturing Conversion Grants. Appropriates $2 billion for grants for domestic production of hybrid, plug-in electric hybrid, plug-in electric drive and hydrogen fuel cell electric vehicles. (Sec. 50143).

Energy Infrastructure Reinvestment Financing. Appropriates $5 billion for the Secretary of Energy to provide guarantees to rework, repurpose or replace energy infrastructure no longer in operation or support the operation of energy infrastructure that reduces, sequesters or utilizes air pollutants or GHG. To apply for the guarantee, applicants must submit a detailed plan and an analysis of how the project will impact neighboring communities. (Sec. 50144).

Tribal Energy Loan Guarantee Program. Appropriates $75 million to the DOE to provide loans to Indian Tribes for energy resource development. (Sec. 50145).

Transmission Facility Financing. Appropriates $2 billion to provide loans for the construction or modification of electric transmission facilities. (Sec. 50151).

Grants to Facilitate the Siting of Interstate Electricity Transmission Lines. Appropriates $760 million for grants to siting authorities' covered transmission projects that: study and analyze the effect of covered transmission projects; examine up to three alternate corridors where the covered transmission project could be sited; host and facilitate negotiations among the siting authority, the covered transmission project applicant and those opposed to the covered transmission project; participate in regulatory proceedings or negotiations in a separate jurisdiction that is considering a covered transmission project; participate in regulatory proceedings at either a federal or state energy regulatory commission; or engage in actions that improve the chances of or shorten the time for approval of the siting or permitting of a covered transmission project. (Sec. 50152).

Interregional and Offshore Wind Electricity Transmission Planning, Modeling and Analysis. Appropriates $100 million to convene relevant stakeholders to address the development and analysis of interregional electricity transmission and the transmission of electricity generated by offshore wind. (Sec. 50153).

Advanced Industrial Facilities Deployment Program. Appropriates about $5.8 billion for the Office of Clean Energy Demonstrations to support: the purchase and installation of advanced industrial technology, retrofits and improvements to eligible facilities; installation or implementation of advanced industrial technology; or studies needed to prepare for such projects. Applicants must outline expected GHG emission reductions to be achieved by the project, with priority being given to projects that expect to reduce greater amounts of GHG emissions, provide the greatest benefit to the area in which the facility is located and participate in partnerships with purchasers.

Eligible entities include owners or operators of a domestic, non-federal, non-power industrial or manufacturing facility that engages in energy-intensive processes. (Sec. 50161).

DOE Oversight. Appropriates $10 million to the DOE Office of Inspector General to oversee the DOE use of subtitle funds. (Sec. 50171).

National Laboratory Infrastructure. Appropriates funds to the Director of the Office of Science within the DOE in the following amounts: $133 million for science laboratory infrastructure projects, about $303.7 million for high energy physics construction, $280 million for fusion energy science construction, $217 million for nuclear physics construction, about $163.8 million for advanced scientific computing research facilities, $294.5 million for basic energy science projects, and about $157.8 million for isotope research and development facilities. This section additionally appropriates $150 million for infrastructure and general plant projects to each of the following offices: the Office of Fossil Energy and Carbon Management, the Office of Nuclear Energy, and the Office of Energy Efficiency and Renewable Energy. (Sec. 50172).

Availability of High-Assay Low-Enriched Uranium. Appropriates $100 million to: license and regulate special nuclear material fuel fabrication and enrichment facilities and certify transportation packages; assist commercial entities in designing and licensing transportation packages for high-assay low-enriched uranium; and support commercial entity submissions of said transportation package designs. This section also provides $500 million to: acquire high assay low-enriched uranium from a DOE stockpile or enrichment technology available to an established consortium; conduct a stakeholder survey to understand the quantity of high-assay low-enriched uranium necessary for commercial use; and support the aforementioned consortium of relevant entities. Finally, this section disperses $100 million to provide access to high-assay low-enriched uranium for domestic research, development, demonstration and commercial use. (Sec. 50173).

Title V Committee on Energy and Natural Resources

Subtitle B - Natural Resources

National Parks and Public Lands Conservation and Resilience. Appropriates $250 million for conservation, protection and resiliency projects for Bureau of Land Management and National Park Services lands and resources. No funds require cost-share or matching requirements. (Sec. 50221).

National Parks and Public Lands Conservation and Ecosystem Restoration. Appropriates $250 million for conservation, ecosystem and habitat restoration projects for Bureau of Land management and National Parks Services land. (Sec. 50222).

National Park Service Employees. Appropriates $500 million to the National Park Service to hire additional employees. (Sec. 50223).

Bureau of Reclamation Domestic Water Supply Projects. Appropriates $550 million for grants, contracts or financial assistance for disadvantaged communities for planning, designing or construction of water projects to serve households or communities without reliable access to domestic water supplies. (Sec. 50231).

Canal Improvement Projects. Appropriates $25 million for the design, study and implementation of projects to construct water conveyance facilities with solar panels to generate renewable energy or solar projects that increase water efficiency and address clean energy goals. Eligible projects include pilot and demonstration projects. (Sec. 50232).

Office of Insular Affairs Climate Change Technical Assistance. Appropriates $15 million for technical assistance to the U.S. Insular Areas for climate change planning, migration, adaptation and resilience. (Sec. 50241).

Leasing on the Outer Continental Shelf. Allows the Department of the Interior to grant leases, easements, and rights-of-way pursuant to the Outer Continental Shelf Lands Act (43 U. S. C.) in land areas previously withdrawn from leasing disposition fees. The section effectively nullifies President Biden's 9/8/20 memorandum withdrawing certain areas from leasing. The section also extends the definition of "outer continental shelf" to include land within the exclusive economic zone of the U.S. and adjacent to U.S. territory. Finally, this section allows the Secretary of the Interior to issue calls for information and nominations for proposed wind lease sales for areas of the Outer Continental Shelf and conduct wind lease sales in areas within the exclusive economic zone of the U.S. and adjacent to the Commonwealth of Puerto Rico, Guam, American Samoa, the U.S. Virgin Islands or the Commonwealth of the Northern Mariana Islands. (Sec. 50251).

Offshore Oil and Gas Royalty Rate. Amends the Outer Continental Shelf Lands Act (43 U. S. C.) to increase the royalty rate for offshore oil and gas lease bidding from 12.5 percent to no less than 16.67 percent but not more than 18.75 percent during the 10-year period after the bill's enactment. After this period, the rate can be no less than 16.67 percent. (Sec. 50261).

Mineral Leasing Act Modernization. Amends the Mineral Leasing Act (30 U. S. C.) and increases the royalty rate for oil and gas leases from 12.5 percent to 16.67 percent. The section also increases the national oil and gas minimum acceptable bid from $2 per acre to $10 per acre and increases fossil fuel rental rates and rentals in reinstated oil and gas leases. The section amends the conditions for lease reinstatement to require a royalty rate for future rentals of 20 percent instead of 16.67 percent. The section also authorizes the Secretary of the Interior to issue a $5 per acre fee, which can be adjusted for inflation every four years, for individuals who submit an expression of interest in leasing land for oil and gas exploration or development. The section also allows the Secretary of Interior to facilitate competitive bidding processes for land that has not had an accepted bid or that has an expired lease. Finally, the section creates minimum amounts for bonds, sureties or other financial arrangements established for an oil or gas lease. (Sec. 50262).

Royalties on All Extracted Methane. Requires that royalties paid for gas produced from federal land and on the Outer Continental Shelf be assessed on all gas produced. This includes all gas that is consumed or lost by venting, flaring or negligent releases through equipment in upstream operations. Gas vented or flared in emergency situations or used for an area's benefit is excluded. (Sec. 50263).

Lease Sales Under the 2017-2022 Outer Continental Shelf Leasing Program. Requires the Secretary of Interior to accept bids for oil and gas Outer Continental Shelf Lease 257 bids no later than 30 days after the enactment of this bill. Further, this section requires the Department of the Interior to conduct Lease Sale 261 no later than September 30, 2023. (Sec. 50264).

Ensuring Energy Security. Restricts the Department of the Interior from issuing a right-of-way for wind and solar energy development on federal land during the 10-year period after the bill is enacted. During this period, the Secretary may grant a right-of-way for solar and wind energy development if the onshore lease sale has been held during the 120-day period ending on the date of issuance of the right-of way for wind and solar energy development or if the sum total of the acres offered in onshore lease sales on the first year of the issuance are less than 2 million acres, 50 percent of which must include expressions of interest for lease sales. The section also restricts the Secretary from issuing leases for offshore wind development; the Secretary may only do so if an offshore lease was held for the first year of the lease for offshore wind development or if the sum total of acres offered for lease in offshore lease sales is not less than 60 million acres. (Sec. 50265).

United States Geological Survey 3D Elevation Program. Appropriates $23 billion in funds for the United States Geological Survey to produce, collect, disseminate and use 3D elevation data. (Sec. 50271).

Department of the Interior Oversight. Appropriates $10 million for oversight activities at the Office of Inspector General at the Department of the Interior. (Sec. 50281).

Title V Committee on Energy and Natural Resources

Subtitle C - Environmental Reviews

DOE. Appropriates $125 million for the DOE to conduct environmental reviews and authorizations. The funds can be used for hiring and training personnel, developing programmatic environmental documents, procuring technical and scientific services for reviews, developing environmental data and information systems, stakeholder and community engagement, and purchasing new equipment for environmental analysis. (Sec. 50301).

Federal Energy Regulatory Commission. Appropriates $100 million for the Federal Energy Regulatory Commission to conduct environmental reviews and authorizations. The funds can be used for hiring and training personnel, developing programmatic environmental documents, procuring technical and scientific services for reviews, developing environmental data and information systems, stakeholder and community engagement, and purchasing new equipment for environmental analysis. (Sec. 50302).

Department of the Interior. Appropriates $150 million to the Department of the Interior for environmental reviews and authorizations by the National Park Service, the Bureau of Land Management, the Bureau of Ocean Management, the Bureau of Reclamation, the Bureau of Safety and Environmental Enforcement, and the Office of Surface Mining Reclamation and Enforcement. Funds can be used for hiring and training personnel, developing programmatic environmental documents, procuring technical and scientific services for reviews, developing environmental data and information systems, stakeholder and community engagement, and purchasing new equipment for environmental analysis. (Sec. 50303).

Title VI Committee on Environment and Public Works

Subtitle A - Air Pollution

Clean Heavy Duty Vehicles. Appropriates $600 million to implement this section. Of this amount, $400 million is for grants to public entities and contractors to replace class six or seven heavy-duty vehicles to serve one or more communities in areas that do not meet national air quality standards. The section establishes a program to award grants and rebates for: replacing eligible, heavy duty non-zero emission vehicles with zero-emission vehicles; purchasing or maintaining infrastructure necessary for charging, fueling and maintenance of zero-emission vehicles; workforce development focused on maintenance, charging and operation of zero-emission vehicles; and planning the adoption and deployment of zero-emission vehicles. (Sec. 60101).

Grants to Reduce Air Pollution at Ports. Amends the Clean Air Act of 1963 (P. L. 88 – 206) and appropriates $2.3 billion to the Environmental Protection Agency for a competitive grant and rebate program for the purchase or installation of zero-emission port equipment or technology; planning and permitting in connection with the purchase or installation of zero-emission port equipment or technology; and the development of qualified climate action plans. Furthermore, this section appropriates $750 million for rebates and grants for ports located within air quality nonattainment areas. All equipment and technologies purchased under funding appropriated via this section must be located at—or directly serve—one or more ports. Eligible applicants include port authorities; state, regional, local and tribal governments; air pollution agencies; or private entities that either apply in partnership with the previously mentioned eligible applicants or that own, operate or use the facilities, cargo-handling equipment, transportation equipment or related technology. This section defines qualified climate action plans as those that include goals, strategies, accounts and practices to reduce emissions, GHG, air pollutants or hazardous air pollutants at one or more ports; includes a strategy to collaborate, communicate or address potential effects on stakeholders that may be affected by the plan; and includes how eligible recipients has implemented or will implement measures to increase the resilience of the one or more ports involved. (Sec. 60102).

GHG Reduction Fund. Amends the Clean Air Act of 1963 (P. L. 88 – 206) and appropriates $7 billion to the Environmental Protection Agency for the establishment of a competitive grant and loan program to support the deployment and use of zero-emission technologies. Furthermore, this section also appropriates about $12 billion for competitive grants for qualified direct and indirect investments; $8 billion for competitive grants for qualified direct and indirect investments specifically in low-income and disadvantaged communities; and $30 million for administrative and implementation costs associated with implementing the programs authorized via the section. Qualified projects, activities and technologies include those that reduce or avoid GHG emissions and other forms of air pollution in partnership with the private sector and those that assist communities in reducing or avoiding GHG emission and other forms of air pollution. Eligible applicants include nonprofit organizations that can provide capital for the swift deployment of low and zero-emission products, technologies and services; does not take deposits other than repayments and other revenue received from financial assistance provided via this section; if funded via charitable or public means; and invests in or finances projects alone or with other investors. (Sec. 60103).

Diesel Emissions Reductions. Appropriates $60 million to the Environmental Protection Agency for grants, rebates and loans to identify and reduce diesel emissions from goods movement facilities—and vehicles servicing these facilities—in low-income and disadvantaged communities. Two percent of funding appropriated will be provided to the Environmental Protection Agency to implement and oversee the funding. Eligible applicants—as outlined via the Energy Policy Act of 2005 (P. L. 109 – 58)—include a state, regional, local, tribal or port agency or authority with jurisdiction over transportation or air quality; and a nonprofit organization or institution that represents or provides pollution reduction or educational services to organizations that own or operate diesel fleets or that promotion of transportation or air quality. (Sec. 60104).

Funding to Address Air Pollution. Appropriates $117.5 million to the Environmental Protection Agency for grants to deploy, integrate, support and maintain fenceline air monitoring, screening air monitoring, national air toxics trend stations and other air toxics and community monitoring. Furthermore, this section appropriates $50 million for grants and activities that expand the national ambient air quality monitoring network with new multipollutant monitoring stations and to replace, repair, operate and maintain existing monitoring networks; $3 million for grants and activities to deploy, integrate and operate air quality sensors in low-income and disadvantaged communities; $15 million for grants and other activities for testing and activities to address emissions from wood heaters; $20 million for grants and other activities for methane emission monitoring; $25 million for grants and activities for research and development related to air pollution mitigation efforts; $45 million to carry out activities related to GHG; and $5 million for grants to adopt and implement GHG and zero-emission standards for mobile sources. Eligible applicants—as outlined via the Clean Air Act—include air pollution control agencies, nonprofit agencies, institutions and organizations. (Sec. 60105).

Funding to Address Air Pollution at Schools. Appropriates $37.5 million to the Environmental Protection Agency for grants to monitor and reduce air pollution and GHG emissions at schools in low-income and disadvantaged communities. Furthermore, this section appropriates $12.5 million to the Environmental Protection Agency for providing technical assistance to schools in low-income and disadvantaged communities to address environmental issues, to develop school environmental quality plans and to identify and mitigate ongoing air pollution hazards. (Sec. 60106).

Low Emissions Electricity Program. Appropriates $17 million to the Environmental Protection Agency for consumer-related education and partnerships focused on reducing GHG emissions from domestic electrical generation; $17 million for industry-related outreach and technical assistance on reducing GHG emissions from domestic electrical generation; $17 million for state, local and tribal government-related outreach and technical assistance on reducing GHG emissions from domestic electrical generation; $1 million for the reduction in GHG emission from domestic electricity generation and use; and $18 million for the reduction in GHG emissions from domestic electricity generation. Two percent of funding appropriated will be provided to the Environmental Protection Agency to implement and oversee the funding. (Sec. 60107). (Sec. 60107).

Funding for Section 211(O) of the Clean Air Act. Appropriates $5 million to the Environmental Protection Agency to support the development and establishment of test and protocols regarding the environmental and public health effects of fuel and fuel additives; the collection and analysis of internal and extramural data to update applicable regulation, guidance and procedures for determining life cycle of fuel GHG emissions; and the review, analysis and evaluation of the impacts of transportation fuels on the general public as well as low-income and disadvantaged communities. Furthermore, this section appropriates $10 million for new grants to industry and other activities to support investments in advanced biofuels. (Sec. 60108).

Funding for Implementation of the American Innovation and Manufacturing Act. Appropriates $20 million to the Environmental Protection Agency for the implementation of the American Innovation and Manufacturing Act (S. 2754) which passed via the Consolidated Appropriations Act of 2021 (P. L. 116 – 260) as well as $3.5 million for the deployment, implementation and oversight of new tools to use when carrying out the Act. Furthermore, this section appropriates $15 million for competitive grants for reclaim and innovative destruction technologies. Five percent of funding appropriated will be provided to the Environmental Protection Agency to implement and oversee the funding. (Sec. 60109).

Funding for Enforcement Technology and Public Information. Appropriates $18 million to the Environmental Protection Agency for the updating of the Integrated Compliance Information System as well as necessary information technology infrastructure and public access software tools to ensure access to compliance data. Furthermore, this section appropriates $3 million for grants to state and tribal governments—in addition to air pollution control agencies to update systems to ensure communication with the Integrated Compliance Information System—and $4 million to the Environmental Protection Agency to acquire or update inspection software or to acquire necessary devices on which to run such inspection software. (Sec. 60110).

GHG Corporate Reporting. Appropriates $5 million to the Environmental Protection Agency to support enhanced standardization and transparency regarding corporate climate action commitments and plans to reduce GHG emission; enhanced transparency regarding the progress of such commitments and plans; and enhanced transparency regarding the implementation of such commitments and plans. (Sec. 60111).

Environmental Product Declaration Assistance. Appropriates $250 million to the Environmental Protection Agency for the development and implementation of a program to support the creation, standardization and transparency of environmental product declarations for construction materials and products. Five percent of funding appropriated will be provided to the Environmental Protection Agency to implement and oversee the funding. (Sec. 60112).

Methane Emissions Reduction Program. Amends the Clean Air Act of 1963 (P. L. 88 – 206) and appropriates $1.55 billion. Of that, $850 million is directed to the Environmental Protection Agency for grants, rebates, contracts, loans and other activities to provide financial and technical assistance to owners and operators of available facilities to prepare and submit GHG reports; to provide grants, rebates, contracts, loans and other activities for methane emission monitoring; to provide grants, rebates, contracts, loans and other activities to provide financial and technical assistance—as well as mitigate legacy air pollution—to reduce methane and other GHG emissions from petroleum and natural gas systems while providing support for communities; and to cover all direct and indirect costs to administer this section. The remaining $700 million was appropriated for similar activities relating to marginal conventional wells.

This section also includes a methane emissions waste reduction program, also known as the Methane Fee, for an owner/operator of a facility that reports more than 25,000 metric tons of CO2e per year. The section applies to the following: offshore and onshore natural gas and petroleum production, onshore natural gas processing, onshore natural gas transmission compression, underground storage; Liquefied Natural Gas (LNG) storage; LNG import and export equipment; onshore petroleum and natural gas gathering and boosting, and onshore natural gas transmission pipelines.

Fees are assessed for excess methane emissions beyond 0.20 percent of gas sold from a facility or 10 metric tons of methane per million barrels of oil. For natural gas transmission, the methane emissions rate is set at 0.11 percent.

The fee is calculated by multiplying the metric tons of methane emissions that exceed the applicable annual waste emissions threshold by: $900 for 2024; $1,200 for 2025; and $1,500 thereafter.

Exceptions include if excess emissions are caused by unreasonable permitting delays and if the entity is already in compliance with the future EPA methane rule. (Sec. 60113).

Climate Pollution Reduction Grants. Amends the Clean Air Act of 1963 (P. L. 88 – 206) and appropriates $250 million to the Environmental Protection Agency for a grant program to cover the costs of developing a plan for the reduction of GHG air pollution and $4.75 billion for the development of a competitive grant program to implement said plans. Eligible applicants include state, municipal and tribal governments and air pollution control agencies. Three percent of funding appropriated will be provided to the Environmental Protection Agency to implement and oversee the funding. (Sec. 60114).

Environmental Protection Agency Efficient, Accurate and Timely Reviews. Appropriates $40 million to the Environmental Protection Agency for the development of efficient, accurate and timely reviews for permitting and approving the hiring and training of personal; the development of programmatic documents; the procurement of technical or scientific services for review; the development of environmental data or information system; the implementation of stakeholder and community engagement; the purchase of new equipment for environmental analysis; and the development of geographic information system and other tools. (Sec. 60115).

Low-Embodied Carbon Labeling for Construction Materials. Appropriates $100 million to the Environmental Protection Agency in consultation with the Federal Highway Administration and the General Services Administration for the construction materials used in transportation and federal buildings projects. (Sec. 60116).

Title VI Committee on Environment and Public Works

Subtitle B - Hazardous Materials

Environmental and Climate Justice Block Grants. Amends the Clean Air Act of 1963 (P. L. 88 – 206) and appropriates $2.8 billion to the Environmental Protection Agency for grants for community-led air and other pollution monitoring, prevention and remediation as well as investments in low and zero-emission and resiliency technologies, related infrastructure and workforce development that helps reduce GHG emissions; that mitigate climate and health risks from urban heat islands, extreme heat, wood heater emissions and wildfire events; that support climate resilience and adaptation; that reduce indoor toxics and air pollutants; and that facilitate the engagement of disadvantaged communities. Eligible applicants include partnerships between local and tribal governments, institutions of higher education or community-based nonprofit organizations; community-based nonprofit organizations; and a partnership of community-based nonprofit organizations. Furthermore, this section appropriates $200 million to the Environmental Protection Agency to provide technical assistance. Seven percent of the amount appropriated for the grant program will be provided to the Environmental Protection Agency to implement and oversee the funding. (Sec. 60201).

Title VI Committee on Environment and Public Works

Subtitle C - United States Fish and Wildlife Service

Endangered Species Act Recovery Plans. Appropriates $125 million—to be available until expended—to develop and implement recovery plans for the conservation and survival of endangered species. (Sec. 60301).

Funding for the United States Fish and Wildlife Service to Address Climate-Induced Weather Events. Appropriates about $121.3 million to award grants and enter into contracts focused on the rebuilding and restoration of the National Wildlife Refuge System and state wildlife management areas by addressing the threat of invasive species, supporting the resiliency and capacity of habitats to withstand climate-induced events, and reducing damage caused by climate-induced events. Furthermore, this section also provides about $3.8 million for administrative expenses. (Sec. 60302).

Title VI Committee on Environment and Public Works

Subtitle D - Council on Environmental Quality

Environmental and Climate Data Collection. Appropriates $32.5 million to the Council on Environmental Quality for assisting in data collection efforts relevant to the disproportionate negative climate impacts and general effect of pollution and rising temperatures; establishing and expanding efforts to track impacts; and providing climate related mapping or screening tools to community members and organizations. (Sec. 60401).

Council on Environmental Quality Efficient and Effective Environmental Reviews. Allocates $30 million for the Council on Environmental Quality to support personnel training, programmatic environmental document development, and stakeholder and community engagement. (Sec. 60402).

Title VI Committee on Environment and Public Works

Subtitle E - Transportation and Infrastructure

Neighborhood Access and Equity Grant Program. Appropriates $1.9 billion to the Federal Highway Administration for a competitive grant program to improve walkability, safety and affordable transportation access via construction projects; to mitigate or remediate negative impacts on the human or natural environment in disadvantaged or underserved communities; and to plan and capacity build activities in disadvantaged or underserved communities. Eligible applicants include states, local or territorial governments; political subdivisions; special purpose districts or public authorities with a transportation function; metropolitan planning organizations; or nonprofit organizations or institutions of higher education in partnership with any of the previously mentioned entities. Furthermore, this section appropriates an additional $1.11 billion to the Federal Highway Administration for similar grants in communities that are either economically disadvantaged; have entered or will enter into a community benefit agreement with community representatives; have an anti-displacement policy, a land trust or advisory board; or have demonstrated a plan for employing local and impacted residents. Grant recipients must contribute 20 percent of the total project cost, with an exception that the federal cost of a project in an underserved community may be up to 100 percent. About $42.2 million is to be provided to the Federal Highway Administration to implement and oversee the funding. (Sec. 60501).

Assistance for Federal Buildings. Appropriates $250 million billion to the Federal Buildings Fund for the conversion of federal facilities to high-performance green buildings. (Sec. 60502).

Use of Low-Carbon Materials. Appropriates $2.15 billion to the Federal Buildings Fund for the acquisition and installation of low-embodied carbon materials and products for the construction of federal buildings. (Sec. 60503).

General Services Administration Emerging Technologies. Appropriates $975 million to the Federal Buildings Fund for emerging and sustainable technologies related to sustainability and environmental programs. (Sec. 60504).

Environmental Review Implementation Funds. Appropriates $100 million to the Federal Highway Administration to facilitate the development and review of documents related to environmental review process of proposed projects. Entities will be required to supply at least 20 percent of the total project cost and can be satisfied using funds made available to successful applicants via federal, state or local grant programs administered by the Department of Transportation. (Sec. 60505).

Low-Carbon Transportation Materials Grants. Appropriates $2 billion to the Federal Highway Administration to reimburse or provide incentives to eligible applicants for the use of low-embodied carbon construction materials and products on federally funded transportation projects. (Sec. 60506).

Title VII Committee on Homeland Security and Government Affairs

DHS Office of Chief Readiness Support Officer. Appropriates $500 million to the Office of the Chief Readiness Support Office to implement sustainability and environmental programs. (Sec. 70001).

United States Postal Service Clean Fleets. Appropriates $3 billion to the United States Postal Service for the purchasing of zero-emission delivery vehicles and the installation of infrastructure necessary to support the aforementioned zero-emission vehicles. (Sec. 70002).

United States Postal Service Office of Inspector General. Appropriates $15 million to support oversight of the United States Postal Service's activities outlined in this section. (Sec. 70003).

Government Accountability Office Oversight. Appropriates $25 million to the Government Accountability Office to assist in the oversight of this act's fund distribution, as well as the economic, social and environmental effects of said funds. (Sec. 70004).

Office of Management and Budget Oversight. Provides $25 million in funding to the Director of the Office of Management and Budget to oversee the implementation of this act and track labor, equity, and environmental standards and performance. (Sec. 70005).

FEMA Building Materials Program. Empowers the Administrator of the Federal Emergency Management Agency (FEMA) to assist with costs associated with low-carbon materials and incentivizing low-carbon and net-zero energy projects. (Sec. 70006).

Federal Permitting Improvement Steering Council Environmental Review Improvement Fund Mandatory Funding. Provides $70 million to the Environmental Review Improvement (Sec. 70007).

Title VIII Committee on Indian Affairs

Tribal Climate Resilience. Appropriates $220 million to the Bureau of Indian Affairs for tribal climate resilience and adaptation programs, $10 million to support fish hatchery operations and $5 million for administrative costs. (Sec. 80001).

Native Hawaiian Climate Resilience. Appropriates about $23 million to the Senior Program Director of the Office of Native Hawaiian Relations to support climate resilience and adaptation activities that benefit the Native Hawaiian community. Furthermore, this section also provides $1.5 million to assist in covering administrative costs. (Sec. 80002).

Tribal Electrification Program. Appropriates about $145 million to the Director of the Bureau of Indian Affairs to provide electricity to unelectrified Tribal homes using zero-emissions energy systems, transition electrified Tribal homes to zero-emission systems and provide home repairs necessary to the installation of zero-emission systems. Furthermore, this section provides $4.5 million in administrative costs. (Sec. 80003).

Emergency Drought Relief for Tribes. Appropriates $12 million to the Bureau of Reclamation for near-term drought relief activities. (Sec. 80004).

akingump.com

