

Polluter Pays Fees

- The Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA) created the Superfund program to respond to serious environmental threats posed by toxic waste sites.
- Superfund was initially funded via a “Polluter Pays” tax, which imposed a tax on parties responsible for pollution.
 - Examples of the Polluter Pays Principle in existing legislation include:
 - Taxes on carbon emissions in most industrialized countries.¹
 - The Gas Guzzler Tax on motor vehicles in the United States.²
 - The Corporate Average Fuel Economy (CAFE) polluter pays fine in the United States.³
- The Superfund Polluter Pays tax expired in 1995 and has yet to be reinstated.
- Superfund currently has a funding shortage – after the tax expired in 1995, the fund was depleted of all Polluter Pays funds by 2003.
- An average of 20 sites per year were added to the National Priorities List (NPL) between 1999 and 2013.⁴
- The Superfund Reinvestment Act (H.R. 4088) was introduced in Congress in 2019 by Representative Blumenauer to reinstate the Polluter Pays tax via taxes on crude oil and specified chemicals. The bill has six cosponsors: Representatives: Gerry Connolly (VA); Jerry McNerney (D-CA); Terri Sewell (D-AL); Raul Grijalva (D-AZ); Matt Cartwright (D-PA); and Eleanor Holmes Norton (D-DC).
- As the NPL continues to grow, it is imperative that a Polluter Pays tax be reinstated to fund the financially ailing Superfund program, and take the burden of financial responsibility away from taxpayers.
- If reinstated, the Polluter Pays Fees would:
 - Restore the Hazardous Substance Superfund financing rate.
 - Increase the rate from 9.7 cents to 16.3 cents per barrel of crude oil, with the rate being adjusted for inflation after 2019.

¹ Carbon Tax Center. (2017). *Where is carbon taxed*. Retrieved from <https://www.carbontax.org/where-carbon-is-taxed/>.

² US EPA. (2018). *Gas guzzler tax*. Retrieved from <https://www.epa.gov/fueleconomy/gas-guzzler-tax>.

³ NHTSA. (2018). *Corporate average fuel economy*. Retrieved from <https://www.nhtsa.gov/laws-regulations/corporate-average-fuel-economy>.



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- Restore and increase tax rates on taxable chemicals, with rates being adjusted for inflation after 2019.
- Change the legal definition of “crude oil” to include “any bitumen or bituminous mixture, any oil derived from a bituminous mixture (including oil derived from tar sands), and any oil derived from kerogen-bearing sources (including oil derived from oil shale)”.
- Restore the Corporate Environment Income Tax to 0.12 percent of revenue in excess of \$3,735,000.

For more information visit: <http://chej.org/funding-superfund/>

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¹ Carbon Tax Center. (2017). *Where is carbon taxed*. Retrieved from <https://www.carbontax.org/where-carbon-is-taxed/>.

² US EPA. (2018). *Gas guzzler tax*. Retrieved from <https://www.epa.gov/fueleconomy/gas-guzzler-tax>.

³ NHTSA. (2018). *Corporate average fuel economy*. Retrieved from <https://www.nhtsa.gov/laws-regulations/corporate-average-fuel-economy>.



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