

COMPARISON OF ISSUES RELATING TO FINANCING, FUND USES AND OPERATION, AND
TAXES IN THE HOUSE AND SENATE SUPERFUND BILLS *
(Not including oil pollution provisions)

<u>Issue</u>	<u>House bill (H.R. 7020)</u>	<u>Senate amendment (H.R. 7020)</u>	<u>H.R. 85 (as passed House) not including oil spill provision</u>
<u>I. Hazardous Substance Response</u>			
<u>A. Overall Financing Issues</u>			
1. Amount of taxes and appropriations placed in funds	\$1.2 billion over 5 years	\$1.6 billion over 5 years	\$0.4 billion over 5 years (not including \$0.4 billion for Oil Pollution Trust Fund)
2. Share of taxes in above	75%	86.3%	100%
3. Link between appropriations into fund and spending from fund	Spending in any fiscal year limited to 10 times appropriations into fund in that year.	No provision	Not applicable
<u>B. Scope of Releases Covered by Fund</u>	Releases of hazardous waste from inactive waste sites	All actual or threatened releases of designated hazardous substances or wastes into the environment, including air, land, groundwater, and surface water except: (a) releases of certain radioactive materials (b) releases solely within a workplace, claims for which may be asserted against the employer	All actual or threatened releases of designated hazardous substances into navigable waters.

*/ H.R. 85, as passed by the House, addresses both oil spills and hazardous substance spills. The Senate has not acted on H.R. 85; however, H.R. 7020 as amended by the Senate includes certain items relating to hazardous substance spills that are comparable to the hazardous substance portion of H.R. 85.

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B. <u>Scope of Releases Covered by Fund (cont'd)</u>		(c) normal application of fertilizer (d) emissions of engine exhaust from motor vehicle, vessel, etc. Generally does not apply to oil pollution, or releases of natural or synthetic gas	Same as Senate Amendment (oil pollution covered separately in Title I of H.R. 85)
C. <u>Items for Which Funds May be Used</u>			
1. Removal, cleanup, and remedial action	Government expenditures for emergency assistance and remedial action	Government expenditures for emer- gency assistance, removal, and remedial action and reimbursement of claims for expenditures incurred by others under the National Contingency Plan	Generally same as Senate amendment, except does not cover remedial action
2. Third party damages resulting from re- leases			
a. Injury to or de- struction of govern- ment-controlled natural resources	Not included	Included	Included

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Senate amendment
(H.R. 7020)

House bill (H.R. 7020)

Issue

C. Items for Which Funds
May be Used (Cont'd)

b. Loss of income or profits resulting from destruction of property or natural resources	Not included	Not included	Included, for individuals who derive more than 25% of gross income from activities which use the property or natural resources, for first two years after loss begins
c. Property losses	Not included	Not included	Included for losses resulting from injury to, or destruction of, real or personal property
3. Limit on payments of claims	No claims authorized	Claims may be paid only from the Trust Fund. No more than 85% of income of Fund may be used for third-party damage claims.	Same as Senate amendment, except third-party damage claims payable only to the extent the Fund has assets in excess of a \$30 million cleanup reserve
4. Other fund uses	Health effect studies, research, some administrative costs	Generally same as House bill	Not included

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D. <u>Other Issues Affecting Fund</u>			
1. Borrowing Authority from Treasury	Not included	Authorizes appropriations for borrowing. Outstanding borrowing limited to revenues for following twelve months. After March 31, 1983, borrow- ing for response costs limited to catastrophic spills. Borrow- ing for damage claims intended to be limited to 15% of revenues for following twelve months.	Authorizes appropria- tions for borrowing up to \$75 million during first year of operation
2. Termination of spend- ing authority	Spending authority terminates September 30, 1985	No termination	No termination

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Issue

E. Tax on Petroleum

1. Amount

0.6 cents a barrel

0.79 cents a barrel

No tax on petroleum (oil spill
provision does provide
for a petroleum tax)

2. General rules

Imported petroleum products and domestic imported crude oil is taxed when imported or received at the refinery. No tax is imposed on oil used on-site for extraction purposes. In addition, the tax is imposed only once on any barrel of crude oil or imported petroleum products.

Same as House bill

3. Termination

September 30, 1985

September 30, 1985, or earlier if revenues exceed \$1.38 billion. In addition, the tax may be suspended in 1984 or 1985, if the fund balance on September 30 of 1983 or 1984 exceeds \$900 million and is expected to exceed \$500 million 12 months later if the petroleum and chemical taxes are suspended for the calendar year in question

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<u>F. Tax on Certain Chemicals</u>			
1. Taxable substances and rates	The excise tax is imposed on various petrochemical feedstocks and inorganic substances recommended for taxation by the EPA. The basic rate is \$2.54 a ton on petrochemical feedstocks and \$2.33 a ton on inorganics.	The excise tax is imposed on a list of substances refined by EPA after passage of the House bill; however, the Senate did not accept EPA's recommendation that lead, zinc metal and zinc oxide be taxed. The basic rate of tax is \$4.87 on petrochemical feedstocks and \$4.45 on inorganics. The rate on any specific substance does not exceed 2 percent of that substance's estimated selling price.	The tax is imposed on substances listed in an early EPA recommendation. The basic rate is \$1.18 for petrochemical feedstocks and \$0.31 for inorganics.
2. General rules	The tax is imposed on the manufacture producer or importer of taxable chemicals. No tax is imposed on chemicals used to produce or manufacture another taxable chemical	Same as House bill	Same as H.R. 7020
3. Exemptions from chemical tax			
a. Fuel uses	Under regulations, any taxable chemical, a principal use of which is use as a fuel, is subject to tax only if used other than as a fuel	Methane and butane are taxed only if used other than as a fuel	Same as H.R. 7020 as passed House

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b. Fertilizer	Taxable chemicals used in production of fertilizer are exempt from tax	Nitric acid, sulfuric acid, ammonia, and methane used to produce ammonia are exempt if used to produce fertilizer	No exemption
c. Coal-derived substances	No exemption	Coal-derived substances are exempt	No exemption
d. Pollution control by-products	No exemption	Sulfuric acid produced solely as a by-product of air pollution controls is exempt	No exemption
4. Termination	September 30, 1985	September 30, 1985, or earlier if revenues exceed \$1.38 billion. In addition, the tax may be suspended in 1984 or 1985, if the fund balance on September 30 of 1983 or 1984 exceeds \$900 million and is expected to exceed \$500 million 12 months later even if the petroleum and chemical taxes are suspended for the calendar year in question	September 30, 1985
II. <u>Post-closure Liability Trust Fund</u>	No provision	Establishes Trust Fund	No provision
A. <u>Uses of Trust Fund</u>	No provision	The Trust Fund will assume all the liabilities under any law of any owner or operator of any qualified waste site. The Trust Fund also may be used for monitoring and maintenance of qualified waste sites	No provision

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B. <u>Qualified Waste Site</u>	No provision	Waste sites for which all liability will be assumed are sites that are: (a) operated under Federal permit (b) closed in accordance with Federal permits, and (c) monitored for at least 5 years after closure	No provision
C. <u>Assets of Trust Fund</u>	No provision	Appropriations, credits, or transfers provided for in law	No provision
D. <u>Borrowing Authority</u>	No provision	Authorizes appropriations for borrowing. Outstanding borrowing may not exceed \$200 million at any time	No provision
E. <u>Termination</u>	No provision	No termination	No provision
F. <u>Tax on Hazardous Waste</u>	No provision		No provision
1. Taxable substances		Hazardous waste described in sections 3001, 3002, and 3004 of the Solid Waste Disposal Act.	
2. Rate of tax		\$2.13 per dry weight ton	

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3. General rules		Tax is imposed on receipt of taxable waste at a qualified hazardous waste disposal facility. A qualified hazardous waste disposal facility is any facility that has received a permit under section 3005 of the Solid Waste Disposal Act. The tax does not apply to waste that will not remain at the facility
4. Effective date		September 30, 1983
5. Suspension of tax		If the unobligated balance in the Post-closure Liability Trust Fund on September 30 of any year exceeds \$200 million, the tax will not be imposed during the following year.