

.....
(Original Signature of Member)

114TH CONGRESS
1ST SESSION

H. R.

To amend the Internal Revenue Code of 1986 to improve and make permanent the credit for carbon dioxide sequestration.

IN THE HOUSE OF REPRESENTATIVES

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

A BILL

To amend the Internal Revenue Code of 1986 to improve and make permanent the credit for carbon dioxide sequestration.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. CARBON DIOXIDE SEQUESTRATION CREDIT IM-**
4 **PROVED AND MADE PERMANENT.**

5 (a) CREDIT MADE PERMANENT.—Section 45Q of the
6 Internal Revenue Code of 1986 is amended by striking
7 subsection (e).

8 (b) INCREASE IN CREDIT FOR NEW FACILITIES.—

1 (1) IN GENERAL.—Section 45Q of such Code,
2 as amended by subsection (a), is amended by redese-
3 ignating subsections (b), (c), and (d) as subsections
4 (c), (d), and (e), respectively, and by inserting after
5 subsection (a) the following new subsection:

6 “(b) CREDIT RATES FOR NEW QUALIFIED FACILI-
7 TIES.—

8 “(1) IN GENERAL.—In the case of a taxable
9 year beginning in a calendar year after 2024 with
10 respect to a qualified facility at which carbon cap-
11 ture equipment is originally placed in service after
12 December 31, 2015—

13 “(A) subsection (a)(1) shall be applied by
14 substituting ‘\$30’ for ‘\$20’, and

15 “(B) subsection (a)(2) shall be applied by
16 substituting ‘\$30’ for ‘\$10’.

17 “(2) PHASE-UP.—In the case of a qualified fa-
18 cility at which carbon capture equipment is origi-
19 nally placed in service during a calendar year after
20 2015 and before 2025 and any taxable year begin-
21 ning in such calendar year—

22 “(A) subsection (a)(1) shall be applied by
23 substituting for ‘\$20’ the dollar amount with
24 respect to each calendar year determined by
25 ratably increasing such dollar amount annually

1 from \$21.85 with respect to calendar year 2015
2 to \$30 with respect to calendar year 2025, and

3 “(B) subsection (a)(2) shall be applied by
4 substituting for ‘\$10’ the dollar amount with
5 respect to each calendar year determined by
6 ratably increasing such dollar amount annually
7 from \$10.92 with respect to calendar year 2015
8 to \$30 with respect to calendar year 2025.

9 “(3) INFLATION ADJUSTMENT.—In the case of
10 any taxable year beginning in a calendar year after
11 2025 with respect to a qualified facility at which
12 carbon capture equipment is originally placed in
13 service after December 31, 2015, there shall be sub-
14 stituted for each \$30 amount contained in para-
15 graph (1) an amount equal to the product of—

16 “(A) such dollar amount, multiplied by

17 “(B) the inflation adjustment factor for
18 such calendar year determined under section
19 43(b)(3)(B) for such calendar year, determined
20 by substituting ‘2024’ for ‘1990’.”

21 (2) CONFORMING AMENDMENT.—Section
22 45Q(e)(7) of such Code, as redesignated by para-
23 graph (1), is amended by inserting “with respect to
24 a qualified facility at which carbon capture equip-

1 ment is originally placed in service before January
2 1, 2016” after “2009”.

3 (c) ELECTION TO ALLOW CREDIT TO PERSON THAT
4 DISPOSES OF, OR USES AS A TERTIARY INJECTANT, CAR-
5 BON DIOXIDE.—Section 45Q(e)(5) of such Code, as reded-
6 ignated by subsection (b), is amended—

7 (1) by striking “Any credit” and inserting the
8 following:

9 “(A) IN GENERAL.—Any credit”,

10 (2) by inserting “subparagraph (B) or” after
11 “except to the extent provided in”, and

12 (3) by adding at the end the following new sub-
13 paragraph:

14 “(B) ELECTION TO ALLOW CREDIT TO
15 PERSON THAT DISPOSES OF, OR USES AS TER-
16 TIARY INJECTANT, CARBON DIOXIDE.—If the
17 person described in subparagraph (A) makes an
18 election under this subparagraph (as such time
19 and in such manner as the Secretary may pre-
20 scribe), the credit determined under this sec-
21 tion—

22 “(i) shall be allowable to the person
23 that disposes of, or uses as a tertiary
24 injectant, the carbon dioxide, and

1 “(ii) shall not be allowable to the per-
2 son described in subparagraph (A).”.

3 (d) REDUCTION IN QUALIFIED FACILITY THRESH-
4 OLD.—Section 45Q(d)(3) of such Code, as redesignated
5 by subsection (b), is amended by striking “500,000” and
6 inserting “150,000”.

7 (d) EFFECTIVE DATES.—

8 (1) CREDIT MADE PERMANENT.—The amend-
9 ment made by subsection (a) shall apply to calendar
10 years beginning after 2015.

11 (2) INCREASE IN CREDIT FOR NEW FACILI-
12 TIES.—The amendments made by subsection (b)
13 shall apply to facilities at which carbon capture
14 equipment is originally placed in service after De-
15 cember 31, 2015.

16 (3) ELECTION TO ALLOW CREDIT TO PERSON
17 THAT DISPOSES OF, OR USES AS A TERTIARY
18 INJECTANT, CARBON DIOXIDE.—The amendments
19 made by subsection (c) shall apply to taxable years
20 beginning after the date of the enactment of this
21 Act.

22 (4) REDUCTION IN QUALIFIED FACILITY
23 THRESHOLD.—The amendments made by subsection
24 (d) shall apply to taxable years beginning after the
25 date of the enactment of this Act.