

Challenges with Existing 45Q Tax Incentive

- ~45 million of the authorized 75 million tons have already been claimed
- Credit amounts are too low to cover costs of CCUS on power generation and do not stimulate financing of CO₂ capture projects
- Eligibility criteria of 500 can be restrictive and limiting for smaller emitters

HR 4622 - Carbon Capture and EOR Act

Introduced by Rep. Mike Conaway (R-TX-11)

45 Cosponsors (25 R & 15 D)

Specifications

- Removes existing 75,000,000 threshold
- Ramps credit to \$30 over 10 years for both EOR and Sequestration
- Reduces 500,000 threshold to 150,000
- Includes transferability
- Makes 45Q permanent

S. 3179 - The Carbon Capture, Utilization and Storage Act

Sponsored by Senators Heitkamp (D-ND) and Whitehouse (D-RI)

Added Senator Capito (R-WV)

20 Co-Sponsors -12 Ds & 8 Rs including Leader McConnell(R-KY)

Specifications

- Keeps existing 45Q threshold in place for current projects
- Credit for EOR increases to \$35 and \$50 for sequestration
- Reduces 500,000 threshold to 100,000 for industrial facilities and a 25,000 threshold for non-EOR facilities
- Includes additional transferability
- Authorizes programs for projects that commence construction within 7 years
- Credit can be claimed for 12 years once placed in service