

[DISCUSSION DRAFT]

116<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

**H. R.** \_\_\_\_\_

To amend the Internal Revenue Code of 1986 to provide for an increased credit for carbon oxide sequestration for direct air capture facilities, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

M. \_\_\_\_\_ introduced the following bill; which was referred to the Committee on \_\_\_\_\_

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**A BILL**

To amend the Internal Revenue Code of 1986 to provide for an increased credit for carbon oxide sequestration for direct air capture facilities, and for other purposes.

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. INCREASE IN CREDIT FOR CARBON OXIDE SE-**  
4 **QUESTRATION FOR DIRECT AIR CAPTURE FA-**  
5 **CILITIES.**

6 (a) INCREASE IN APPLICABLE DOLLAR AMOUNT FOR  
7 DIRECT AIR CAPTURE FACILITIES.—Section

1 45Q(b)(1)(A) of the Internal Revenue Code of 1986 is  
2 amended—

3 (1) in clause (i)(I) and (ii)(I), by inserting  
4 “(\$62.50 in the case of a direct air capture facility)”  
5 after “\$50”, and

6 (2) in clause (i)(II) and (ii)(II), by inserting  
7 “(\$43.75 in the case of a direct air capture facility)”  
8 after “\$35”.

9 (b) REPEAL OF PLACED-IN-SERVICE DEADLINE; DE-  
10 CREASE IN CAPTURE REQUIREMENTS FOR DIRECT AIR  
11 CAPTURE FACILITIES.—Section 45Q(d) of the Internal  
12 Revenue Code of 1986 is amended to read as follows:

13 “(d) QUALIFIED FACILITY.—For purposes of this  
14 section, the term ‘qualified facility’ means any industrial  
15 facility or direct air capture facility which captures—

16 “(1) in the case of a facility which emits not  
17 more than 500,000 metric tons of carbon oxide into  
18 the atmosphere during the taxable year, not less  
19 than 25,000 metric tons of qualified carbon oxide  
20 during the taxable year which is utilized in a manner  
21 described in subsection (f)(5),

22 “(2) in the case of an electricity generating fa-  
23 cility which is not described in subparagraph (A),  
24 not less than 500,000 metric tons of qualified car-  
25 bon oxide during the taxable year, or

1           “(3) in the case of a direct air capture facility  
2           or any facility not described in subparagraph (A) or  
3           (B), not less than 50,000 metric tons of qualified  
4           carbon oxide during the taxable year.”.

5           (c) EFFECTIVE DATE.—The amendments made by  
6           this section shall apply to taxable years beginning after  
7           December 31, 2020.