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.

IN THE HOUSE OF REPRESENTATIVES

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

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.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. INCREASE IN CREDIT FOR CARBON OXIDE SEQUESTRATION FOR DIRECT AIR CAPTURE FACILITIES.

(a) INCREASE IN APPLICABLE DOLLAR AMOUNT FOR DIRECT AIR CAPTURE FACILITIES.—Section
45Q(b)(1)(A) of the Internal Revenue Code of 1986 is amended—

(1) in clause (i)(I) and (ii)(I), by inserting

“(($62.50 in the case of a direct air capture facility)”
after “$50”, and

(2) in clause (i)(II) and (ii)(II), by inserting

“(($43.75 in the case of a direct air capture facility)”
after “$35”.

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

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

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

“(2) in the case of an electricity generating facility which is not described in subparagraph (A),

not less than 500,000 metric tons of qualified carbon oxide during the taxable year, or
“(3) in the case of a direct air capture facility or any facility not described in subparagraph (A) or (B), not less than 50,000 metric tons of qualified carbon oxide during the taxable year.”.

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