

116TH CONGRESS
2D SESSION

H. R. 5883

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

FEBRUARY 12, 2020

Mr. SCHWEIKERT (for himself and Mr. WENSTRUP) introduced the following bill; which was referred to the Committee on Ways and Means

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
8 45Q(b)(1)(A) of the Internal Revenue Code of 1986 is
9 amended—

1 (1) in clause (i)(I) and (ii)(I), by inserting
2 “(\$62.50 in the case of a direct air capture facility)”
3 after “\$50”, and

4 (2) in clause (i)(II) and (ii)(II), by inserting
5 “(\$43.75 in the case of a direct air capture facility)”
6 after “\$35”.

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

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

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

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

24 “(3) in the case of a direct air capture facility
25 or any facility not described in subparagraph (A) or

1 (B), not less than 50,000 metric tons of qualified
2 carbon oxide during the taxable year.”.

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

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