

116TH CONGRESS  
2D SESSION

# H. R. 7896

To amend the Internal Revenue Code of 1986 to allow the carbon capture credit to enhance the efficiency and effectiveness of the carbon oxide sequestration tax credit.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 31, 2020

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

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## A BILL

To amend the Internal Revenue Code of 1986 to allow the carbon capture credit to enhance the efficiency and effectiveness of the carbon oxide sequestration tax credit.

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. SHORT TITLE.**

4 This Act may be cited as the “Redeeming Effective-  
5 ness to Carbon Oxide Utilization Plus Sequestration Act  
6 of 2020” or “RECOUPS Act of 2020”.

1 **SEC. 2. ENHANCED EFFICIENCY ELECTION FOR CARBON**  
2 **OXIDE SEQUESTRATION CREDIT.**

3 (a) IN GENERAL.—Section 45Q(f) of the Internal  
4 Revenue Code of 1986 is amended by adding at the end  
5 the following new paragraph:

6 “(8) EFFICIENCY ELECTION.—

7 “(A) IN GENERAL.—In the case of any  
8 carbon capture equipment placed in service on  
9 or after the date of the enactment of the Bipar-  
10 tisan Budget Act of 2018, a taxpayer that  
11 claims a carbon oxide sequestration credit for  
12 any taxable year may elect to treat the credit  
13 as a payment in excess of the tax imposed, or  
14 the estimated tax payment required, by subtitle  
15 A to the extent such credit exceeds the tax li-  
16 ability of such taxpayer in such taxable year.

17 “(B) LIMITATION.—If the taxpayer de-  
18 scribed in subparagraph (A) makes an election  
19 under this paragraph (in such time and manner  
20 as the Secretary may prescribe by regulations),  
21 the dollar amounts applicable under paragraph  
22 (3) or (4) of subsection (a) shall be 90 percent  
23 of the applicable dollar amount determined  
24 under paragraph (1) of subsection (b).”.

1       (b) EFFECTIVE DATE.—The amendment made by  
2 this section shall apply to taxable years beginning after  
3 December 31, 2019.

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