

117TH CONGRESS
1ST SESSION

H. R. 1062

To amend the Internal Revenue Code of 1986 to extend and allow an elective payment of the tax credit for carbon oxide sequestration.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 15, 2021

Mr. MCKINLEY (for himself and Mr. VEASEY) 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 extend and allow an elective payment of the tax credit for carbon oxide sequestration.

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 “Accelerating Carbon
5 Capture and Extending Secure Storage through 45Q Act”
6 or as the “ACCESS 45Q Act”.

1 **SEC. 2. EXTENSION OF CREDIT FOR CARBON OXIDE SE-**
2 **QUESTRATION.**

3 Section 45Q(d)(1) of the Internal Revenue Code of
4 1986 is amended by striking “January 1, 2026” and in-
5 serting “January 1, 2036”.

6 **SEC. 3. ELECTIVE PAYMENT FOR CARBON OXIDE SEQUE-**
7 **STRATION.**

8 (a) IN GENERAL.—Subchapter B of chapter 65 of the
9 Internal Revenue Code of 1986 is amended by adding at
10 the end the following new section:

11 **“SEC. 6431. ELECTIVE PAYMENT FOR CARBON OXIDE SE-**
12 **QUESTRATION.**

13 “(a) IN GENERAL.—In the case of a taxpayer making
14 an election (at such time and in such manner as the Sec-
15 retary may provide) under this section with respect to any
16 portion of a carbon oxide sequestration credit which would
17 (without regard to this section) be determined under sec-
18 tion 45Q with respect to such taxpayer, such taxpayer
19 shall be treated as making a payment against the tax im-
20 posed by subtitle A for the taxable year equal to the
21 amount of such portion.

22 “(b) LIMITATION.—The portion of a carbon oxide se-
23 questration credit with respect to which a taxpayer may
24 make an election under this section shall not exceed the
25 portion of such credit which is attributable to property

1 originally placed in service after the date of the enactment
2 of this section.

3 “(c) TIMING.—The payment described in subsection
4 (a) shall be treated as made on the later of the due date
5 of the return of tax for such taxable year or the date on
6 which such return is filed.

7 “(d) EXCLUSION FROM GROSS INCOME.—Gross in-
8 come of the taxpayer shall be determined without regard
9 to this section.

10 “(e) DENIAL OF DOUBLE BENEFIT.—Solely for pur-
11 poses of section 38, in the case of a taxpayer making an
12 election under this section, the carbon oxide sequestration
13 credit determined under section 45Q shall be reduced by
14 the amount of the portion of such credit with respect to
15 which the taxpayer makes such election.

16 “(f) SPECIAL RULES.—

17 “(1) In the case of a taxpayer making an elec-
18 tion under this subsection, the credit subject to such
19 an election shall be determined notwithstanding—

20 “(A) section 50(b)(3); and

21 “(B) section 50(b)(4) for an entity de-
22 scribed in 50(b)(4)(A)(i).

23 “(2) In the case of a mutual or cooperative
24 electric company described in this paragraph or an
25 organization described in section 1381(a)(2), any in-

1 come received or accrued in connection with the
2 credit under this section shall be treated as an
3 amount collected from members for the sole purpose
4 of meeting losses and expenses.”.

5 (b) CLERICAL AMENDMENT.—The table of sections
6 for subchapter B of chapter 65 of such Code is amended
7 by adding at the end the following new item:

 “Sec. 6431. Elective payment for carbon oxide sequestration.”.

8 (c) EFFECTIVE DATE.—The amendments made by
9 this section shall apply to credits determined for taxable
10 years ending after the date of the enactment of this Act.

11 **SEC. 4. ALLOWANCE OF THE CARBON OXIDE SEQUESTRA-**
12 **TION CREDIT AGAINST THE BASE EROSION**
13 **MINIMUM TAX.**

14 (a) IN GENERAL.—Section 59A(b) of the Internal
15 Revenue Code of 1986 is amended—

16 (1) by inserting “and the carbon dioxide se-

17 questration credit determined under section 45Q”

18 after “section 41(a)” in paragraph (1)(B)(ii)(I), and

19 (2) by inserting “(other than the credit allowed

20 under section 38 for the taxable year which is prop-

21 erly allocable to the credit for carbon oxide seques-

22 tration determined under section 45Q)” after “cred-

23 its allowed under this chapter”.

1 (b) EFFECTIVE DATE.—The amendments made by
2 this section shall take effect as if included in section
3 41119 of the Bipartisan Budget Act of 2018.

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