

119TH CONGRESS
1ST SESSION

S. 1188

To amend the Internal Revenue Code of 1986 to provide for permanent full expensing for property used to capture gas that would otherwise be flared or vented and to use such gas in value-added products.

IN THE SENATE OF THE UNITED STATES

MARCH 27, 2025

Mr. CRUZ introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to provide for permanent full expensing for property used to capture gas that would otherwise be flared or vented and to use such gas in value-added products.

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 “Facilitating Lower At-
5 mospheric Released Emissions Act” or the “FLARE Act”.

1 **SEC. 2. PERMANENT FULL EXPENSING OF COSTS RELATED**
 2 **TO FLARING AND VENTING MITIGATION SYS-**
 3 **TEMS.**

4 (a) IN GENERAL.—Section 168(k) of the Internal
 5 Revenue Code of 1986 is amended by adding at the end
 6 the following new paragraph:

7 “(11) PERMANENT EXPENSING OF COSTS RE-
 8 LATED TO FLARING AND VENTING MITIGATION SYS-
 9 TEMS.—

10 “(A) IN GENERAL.—In the case of any ap-
 11 plicable energy property—

12 “(i) paragraph (8) shall not apply,
 13 and

14 “(ii) the applicable percentage shall be
 15 100 percent.

16 “(B) APPLICABLE ENERGY PROPERTY.—

17 “(i) IN GENERAL.—For purposes of
 18 this paragraph, the term ‘applicable energy
 19 property’ means any qualified property (as
 20 determined as if clause (iii) of paragraph
 21 (2)(A) did not apply with respect to such
 22 property) which is a flaring and venting
 23 mitigation system.

24 “(ii) FLARING AND VENTING MITIGA-
 25 TION SYSTEM.—For purposes of this sub-
 26 paragraph, the term ‘flaring and venting

mitigation system’ means a system
which—

“(I) intakes natural gas, and

“(II) separates, collects, utilizes,
or combusts methane and heavier hydrocarbons by—

“(aa) compressing or liquefying gas for use as fuel or transport to a processing facility,

“(bb) production of petrochemicals or fertilizer,

“(cc) conversion to liquid fuels,

“(dd) conversion to electricity for electricity-driven activities or supply to the electrical grid,

“(ee) conversion to computational power,

“(ff) mining for digital assets, or

“(gg) powering other oilfield equipment.

“(C) FOREIGN ENTITY OF CONCERN.—

1 “(i) IN GENERAL.—This paragraph
2 shall not apply to any property placed in
3 service by any foreign entity of concern.

4 “(ii) DEFINITION.—In this paragraph,
5 the term ‘foreign entity of concern’ has the
6 meaning given that term in section
7 10612(a) of the Research and Develop-
8 ment, Competition, and Innovation Act (42
9 U.S.C. 19221(a)).”.

10 (b) CONFORMING AMENDMENT.—Section
11 168(k)(6)(A) of the Internal Revenue Code of 1986 is
12 amended by inserting “or paragraph (11)” after “this
13 paragraph”.

14 (c) EFFECTIVE DATE.—The amendments made by
15 this section shall apply to property placed in service after
16 December 31, 2025.

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