

117TH CONGRESS  
1ST SESSION

# H. R. 5205

To amend the Internal Revenue Code of 1986 to extend and modify the credit for carbon oxide sequestration, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 10, 2021

Mr. BEYER (for himself and Ms. DELBENE) 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 extend and modify the credit for carbon oxide sequestration, 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. SHORT TITLE.**

4 This Act may be cited as the “Negate Emissions to  
5 Zero Act of 2021” or the “NET Zero Act of 2021”.

6 **SEC. 2. EXTENSION AND MODIFICATION OF CREDIT FOR**  
7 **CARBON OXIDE SEQUESTRATION.**

8 (a) EXTENSION.—Section 45Q(d) is amended—

9 (1) in paragraph (1), by inserting “except as  
10 provided in paragraph (3),” at the beginning and

1 striking “January 1, 2026” and inserting “January  
2 1, 2032”, and

3 (2) by adding at the end:

4 “(3) EXCLUSION FOR DIRECT AIR CAPTURE  
5 WITH DEDICATED GEOLOGICAL STORAGE.—In the  
6 case of qualified carbon oxide captured by a direct  
7 air capture facility which is used by the taxpayer in  
8 a manner described in subsection (a)(3), paragraph  
9 (1) shall not apply.”.

10 (b) MODIFICATION OF CARBON OXIDE CAPTURE RE-  
11 QUIREMENTS.—Section 45Q(d)(2)(C) is amended by  
12 striking “100,000” and replacing it with “1,000”.

13 (c) DETERMINATION OF APPLICABLE DOLLAR  
14 AMOUNT.—

15 (1) IN GENERAL.—Section 45Q(b)(1) is amend-  
16 ed by redesignating subparagraph (B) as subpara-  
17 graph (C) and by inserting after subparagraph (A)  
18 the following new subparagraph:

19 “(B) SPECIAL RULE FOR DIRECT AIR CAP-  
20 TURE FACILITIES.—For any taxable year begin-  
21 ning after December 31, 2021, in the case of  
22 any qualified facility described in subsection  
23 (d)(2)(C), the applicable dollar amount shall be  
24 an amount equal to—

1 “(i) for purposes of paragraph (3) of  
2 subsection (a), an amount equal to the  
3 product of \$180 and the inflation adjust-  
4 ment factor for such calendar year deter-  
5 mined under section 43(b)(3)(B) for such  
6 calendar year, determined by substituting  
7 ‘2020’ for ‘1990’, and

8 “(ii) for purposes of paragraph (4) of  
9 such subsection, an amount equal to the  
10 product of \$130 and the inflation adjust-  
11 ment factor for such calendar year deter-  
12 mined under section 43(b)(3)(B) for such  
13 calendar year, determined by substituting  
14 ‘2020’ for ‘1990’.”.

15 (2) CONFORMING AMENDMENTS.—

16 (A) Section 45Q(b)(1)(A) is amended by  
17 striking “The applicable dollar amount” and in-  
18 serting “Except as provided in subparagraph  
19 (B), the applicable dollar amount”.

20 (B) Section 45Q(b)(1)(C), as redesignated  
21 by paragraph (1), is amended by striking “sub-  
22 subparagraph (A)” and inserting “subparagraph  
23 (A) or (B)”.

24 (d) EFFECTIVE DATES.—

1           (1) EXTENSION.—The amendment made by  
2 subsection (a) shall apply to facilities the construc-  
3 tion of which begins after December 31, 2025.

4           (2) OTHER AMENDMENTS.—The amendments  
5 made by subsections (b) and (c) shall apply to tax-  
6 able years beginning after December 31, 2021.

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