

Comparison of Current Law to FUTURE Act of 2017

Current 45Q	FUTURE Act of 2017 Sponsor: Heidi Heitkamp (D-ND) Cosponsors: 24
<ul style="list-style-type: none"> Existing program imposes a 75 million metric ton cap on the program. 	<ul style="list-style-type: none"> Maintains 75 million metric ton cap for qualified facilities placed in service prior to date of enactment. Eliminates 75 million metric ton cap for carbon capture equipment placed in service at industrial facilities after date of enactment.
<ul style="list-style-type: none"> Credit is based on captured qualified carbon dioxide 	<ul style="list-style-type: none"> For carbon capture equipment placed in service on or after date of enactment, changes credit to captured “qualified carbon oxide” which is defined to include CO₂ and other carbon oxides.
<ul style="list-style-type: none"> \$20 per metric ton for CO₂ permanently sequestered and not used for EOR or \$10 per metric ton that is permanently sequestered and used for EOR. 	<ul style="list-style-type: none"> Increases the credit to \$50 for geologic storage and \$35 for EOR (each rate phases up over 10-year period from 2017 to 2026). Existing qualified facilities would continue to receive the original inflation adjusted \$20 and \$10 credit rates.
<ul style="list-style-type: none"> The credit rate is indexed for inflation beginning in 2010. 	<ul style="list-style-type: none"> The increased credit rates would be indexed for inflation beginning in 2027.
<ul style="list-style-type: none"> The credit is available to any industrial facility at which carbon capture equipment is installed and which captures at least 500,000 metric tons of CO₂ per year. 	<ul style="list-style-type: none"> The increased credit rates would only be available to industrial facilities (both new and existing facilities) and “direct air capture facilities” at which carbon capture equipment is placed in service on or after date of enactment and which – <ul style="list-style-type: none"> emit not more than 500,000 tons of CO₂ and capture at least 25,000 tons for pilot or early development projects in which the CO₂ is sequestered in a utilization project; capture at least 500,000 metric tons of CO₂ per year for electric generating units; or capture at least 100,000 metric tons of CO₂ per year for other industrial facilities.

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<ul style="list-style-type: none"> • No specific limitation on the credit to a project; credit available until the 75 million ton cap is reached. 	<ul style="list-style-type: none"> • The credit would be available for 12 years from the date the carbon capture equipment is placed in service.
<ul style="list-style-type: none"> • No Provision. 	<ul style="list-style-type: none"> • Pre-date of enactment qualified facilities with carbon capture equipment would qualify for an incremental credit with the increased credit rates by installing additional carbon capture equipment on or after the date of enactment. The incremental credit would be equal to the excess of the total amount captured in a taxable year over the capacity of the carbon capture equipment that was installed before the date of enactment.
<ul style="list-style-type: none"> • No Provision. 	<ul style="list-style-type: none"> • Changes the taxpayer that receives the tax credit from the owner of the industrial facility that emits the CO₂ to the owner of the capture equipment that captures the CO₂. • This creates more flexibility in the project structure and financing options.
<ul style="list-style-type: none"> • No Provision. 	<ul style="list-style-type: none"> • Allows the taxpayer to transfer the credit to the person that <ul style="list-style-type: none"> ○ disposes of the qualified carbon oxide, ○ utilizes the qualified carbon oxide, or ○ uses the qualified carbon oxide as a tertiary injectant.
<ul style="list-style-type: none"> • No Provision. 	<ul style="list-style-type: none"> • Defines utilization of qualified carbon dioxide to include: <ul style="list-style-type: none"> ○ the fixation of carbon dioxide through photosynthesis or chemosynthesis, such as through the growing of algae or bacteria, ○ the chemical conversion of carbon dioxide to a material or chemical compound in which carbon dioxide is securely stored, or ○ the use of carbon dioxide for any other purpose for which a commercial market exists (with the exception of use as a tertiary injectant in a qualified enhanced oil or natural gas recovery project), as determined by the Secretary.