

Congress of the United States
Washington, DC 20515

December 4, 2020

The Honorable Steven Mnuchin
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Ave., N.W.
Washington, D.C. 20220

The Honorable Charles P. Rettig
Commissioner
Internal Revenue Service
1111 Constitution Avenue NW.,
Washington, DC 20224

Dear Secretary Mnuchin and Commissioner Rettig:

We write to urge the Department of the Treasury and the Internal Revenue Service (IRS) to promptly finalize and publish regulations for the Section 45Q tax credit for carbon oxide sequestration. Thank you for your consideration.

As you know, the Bipartisan Budget Act of 2018 (P.L. 115-123), included provisions to extend and enhance the Section 45Q Credit for Carbon Oxide Sequestration. After passage of this legislation, Treasury took the first formal steps to revise guidance under Section 45Q by issuing a request for information in May of 2019. Treasury then released a Notice on the definition of beginning of construction and a Revenue Procedure on a tax equity partnership safe harbor in February 2020. Finally, on June 2, 2020, a proposed rule to implement the 45Q enhancements was published in the Federal Register, with comments due on August 3, 2020.

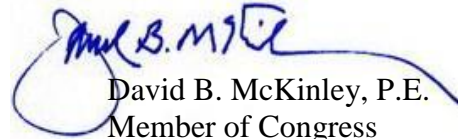
We are soon approaching the three-year mark since the Bipartisan Budget Act of 2018 was signed into law, and the enhancements to Section 45Q are central to our bipartisan efforts to advance commercially-viable carbon capture, utilization, and storage (CCUS) technologies. Developers require certainty from Treasury and the IRS to secure financing for these large-scale infrastructure projects that require long lead times. Without final regulations, taxpayers remain unable to fully take advantage of the tax credit. Further, it is important to note that projects planned or underway face a narrowing window to commence construction prior to the January 1, 2024, deadline.

As global demand for energy and manufacturing continue to grow, CCUS technologies provides one of the most sustainable solutions for both our environment and our economy. To this end, we respectfully request Treasury and the IRS to finalize implementing regulations for Section 45Q and ensure they are published in the Federal Register without delay.

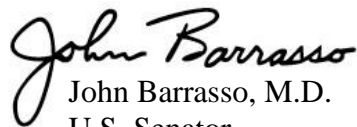
Sincerely,



John Hoeven
U.S. Senator



David B. McKinley, P.E.
Member of Congress



John Barrasso, M.D.
U.S. Senator



Kelly Armstrong
Member of Congress



Shelly Moore Capito
U.S. Senator



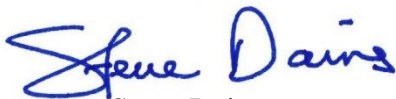
Don Bacon
Member of Congress



Kevin Cramer
U.S. Senator



Jack Bergman
Member of Congress



Steve Daines
U.S. Senator



Michael C. Burgess, M.D.
Member of Congress



Angus S. King, Jr.
U.S. Senator



Cheri Bustos
Member of Congress



Joe Manchin III
U.S. Senator



Bradley Byrne
Member of Congress



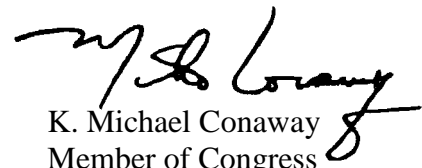
Tina Smith
U.S. Senator



Liz Cheney
Member of Congress



Sheldon Whitehouse
U.S. Senator



K. Michael Conaway
Member of Congress



Jim Costa
Member of Congress



Brian Fitzpatrick
Member of Congress



Lizzie Fletcher
Member of Congress



Mike Gallagher
Member of Congress



Greg Gianforte
Member of Congress



Doug Lamborn
Member of Congress



Robert E. Latta
Member of Congress



Daniel Meuser
Member of Congress



Alex X. Mooney
Member of Congress



Scott Peters
Member of Congress




David Schweikert
Member of Congress



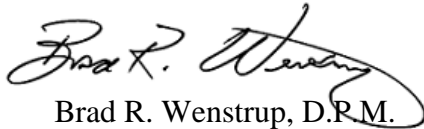
Terri A. Sewell
Member of Congress



Pete Stauber
Member of Congress



Randy K. Weber
Member of Congress



Brad R. Wenstrup, D.R.M.
Member of Congress