



## THE COORDINATED ACTION TO CAPTURE HARMFUL EMISSIONS ACT (H.R. 3538)

The Coordinated Action to Capture Harmful Emissions Act (CATCH Act) modifies the existing section 45Q tax credit, a federal credit that rewards qualifying facilities for using [carbon capture](#) technologies. The bill increases the credit value and eliminates the minimum capture eligibility requirements. This legislation will increase the relevance of carbon capture to more domestic industries, technologies and developers.

### SUMMARY

The inclusion of provisions in this bill to remove the minimum volumetric capture and utilization thresholds and match the credit value with the cost of more difficult to capture sources will encourage a broader portfolio of carbon capture technologies and applications. Carbon capture remains one of the most promising clean energy technologies, gaining recent recognition for its potential to improve the environmental footprint of heavy industrial processes and directly remove carbon dioxide from the atmosphere. This bill complements related commercialization efforts and provides further momentum to accelerate this important technology.

### HISTORY:

The 45Q tax credit was originally enacted by the Energy Improvement and Extension Act of 2008 to reduce carbon dioxide emissions through geologic sequestration and enhanced oil recovery projects. The credit was expanded under the Bipartisan Budget Act of 2018 to include qualified carbon oxides and increase the value of the credit. Most recently, the Energy Act of 2020 extended the 45Q tax credit by two years, and the IRS published its final 45Q regulations just 10 days after Congress extended the credit. The 45Q tax credit is viewed as the single most useful tool in spurring the development of CCUS projects.

### SPECIFICS:

- Increases the credit value for secure geological storage from \$50 to \$85 per metric ton and for enhanced oil recovery and utilization from \$35 to \$60 per metric ton, which will continue to incentivize carbon capture at scale and cover costs associated with needed transportation and other infrastructure.
- Eliminates the minimum capture eligibility requirements, which will expand the pool of potential projects and allow smaller carbon capture technologies to be eligible.

ORIGINAL SPONSOR: Rep. Tim Ryan (D-OH)

CO-SPONSORS: Reps. Anthony Gonzalez (R-OH), Cheri Bustos (D-IL), Tim Walberg (R-MI), Marc Veasey (D-TX), David McKinley (R-WV), Susan Wild (D-PA), Kelly Armstrong (R-ND)

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