117TH CONGRESS
1ST SESSION

H. R. ___

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

IN THE HOUSE OF REPRESENTATIVES

Mr. BEYER introduced the following bill; which was referred to the Committee
on ________________

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—
(1) in paragraph (1), by inserting “except as
provided in paragraph (3),” at the beginning and
striking “January 1, 2026” and inserting “January
1, 2032”, and

(2) by adding at the end:

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

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

(c) DETERMINATION OF APPLICABLE DOLLAR
AMOUNT.—

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

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

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

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

(2) CONFORMING AMENDMENTS.—

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

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

(d) **Effective Dates.**—

(1) **Extension.**—The amendment made by subsection (a) shall apply to facilities the construction of which begins after December 31, 2025.

(2) **Other Amendments.**—The amendments made by subsections (b) and (c) shall apply to taxable years beginning after December 31, 2021.