

115TH CONGRESS 2D SESSION

H. R. 4857

To amend the Internal Revenue Code of 1986 to enhance the requirements for secure geological storage of carbon dioxide for purposes of the carbon dioxide sequestration credit.

IN THE HOUSE OF REPRESENTATIVES

January 19, 2018

Mr. Cramer (for himself, Mr. Sam Johnson of Texas, Mr. McKinley, Mr. Harper, and Mr. Palazzo) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

- To amend the Internal Revenue Code of 1986 to enhance the requirements for secure geological storage of carbon dioxide for purposes of the carbon dioxide sequestration credit.
 - 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 "CO₂ Regulatory Cer-
 - 5 tainty Act".

SEC. 2. SECURE GEOLOGICAL STORAGE OF CARBON DIOX-2 IDE. 3 Section 45Q(d)(2) of the Internal Revenue Code of 4 1986 is amended to read as follows: 5 "(2) Secure Geological Storage.— 6 "(A) IN GENERAL.—Not later than De-7 cember 31, 2018, the Secretary, in consultation 8 with the Administrator of the Environmental 9 Protection Agency, the Secretary of Energy, 10 and the Secretary of the Interior, shall establish 11 regulations for determining adequate security 12 measures for the geological storage of carbon 13 dioxide under paragraph (1)(B) or (2)(C) of 14 subsection (a) such that the carbon dioxide does 15 not escape into the atmosphere. "(B) 16 REQUIREMENTS.—The regulations 17 established pursuant to subparagraph (A) shall 18 provide that— 19 "(i) for purposes of paragraph (1)(B) 20 of subsection (a), carbon dioxide shall be 21 considered disposed of in secure geological 22 storage if such carbon dioxide is stored in 23 compliance with rules promulgated by the 24 Environmental Protection Agency under 25 subpart RR of part 98 of title 40, Code of

Federal Regulations (as in effect on the

26

1 d	ate of the enactment of this paragraph)
2 u	nder the Clean Air Act (42 U.S.C. 7401
3 e	t seq.), and rules under the Safe Drinking
4 V	Vater Act (42 U.S.C. 300f et seq.), which
5 a	re applicable to carbon dioxide disposed of
6 in	n secure geological storage and not used
7 a	s a tertiary injectant in a qualified en-
8 h	anced oil or natural gas recovery project,
9 a	nd
10	"(ii) for purposes of paragraph (2)(C)
11 o	f subsection (a), carbon dioxide shall be
12 c	onsidered disposed of in secure geological
13 s	torage if such carbon dioxide is stored in
14 c	ompliance with rules promulgated by the
15 E	Environmental Protection Agency which
16 a	re applicable to carbon dioxide used as a
17 to	ertiary injectant in a qualified enhanced
18 o	il or natural gas recovery project under—
19	"(I) subpart UU of part 98 of
20	title 40, Code of Federal Regulations
21	(as in effect on the date of the enact-
22	ment of this paragraph) under the
23	Clean Air Act, and
24	"(II) subpart C of part 146 of
25	title 40, Code of Federal Regulations

1	(as in effect on the date of the enact-
2	ment of this paragraph) under the
3	Safe Drinking Water Act, to the ex-
4	tent such rules are applicable to Class
5	II wells.".
6	SEC. 3. QUALIFIED ENHANCED OIL OR NATURAL GAS RE-
7	COVERY PROJECT.
8	Section 45Q(d)(4) of the Internal Revenue Code of
9	1986 is amended—
10	(1) by striking "by substituting" and inserting
11	"determined—
12	"(A) by substituting—",
13	(2) by striking the period and inserting ",
14	and", and
15	(3) by inserting at the end the following:
16	"(B) without regard to subparagraph
17	(A)(iii) thereof.".