

Congress of the United States
Washington, DC 20515

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

Charles Rettig
Commissioner
Internal Revenue Service
1111 Constitution Ave. N.W.
Washington, D.C. 20224

February 5, 2020

Dear Secretary Mnuchin and Commissioner Rettig:

As Members of Congress, we write to advocate for the Department of the Treasury (Treasury) and the Internal Revenue Service (IRS) to issue guidance on the 45Q tax credit as quickly as possible. Congress passed the *Furthering Carbon Capture, Utilization, Technology, Underground Storage, and Reduced Emissions Act* (FUTURE Act) as part of the *Bipartisan Budget Act of 2018* (Title II, Section 41119 of P.L. 115-123) to enhance the 45Q tax credit to incentivize carbon capture and removal technology deployment in the United States. This goal cannot be accomplished, however, without guidance from Treasury that resolves key questions surrounding this new tax credit.

It has now been two years since the passage of this tax credit, and we have concerns that the delay could hinder the growth of this important new market. Financial certainty for potential investors in a new technology is required long before construction begins. Currently, statutory guidelines for 45Q require projects to begin construction before January 1, 2024, and the delay to implement appropriate guidance gives private industry a short time frame to appropriately model their projects and get the capital needed.

On May 2, 2019, Treasury issued a request for comment on key technical questions under 45Q (Notice 2019-32, I.R.B. 2019-21 1187) with a 45-day public comment period, which closed on July 4, 2019. More than 100 public comments were submitted during this time, including model guidance submitted by a coalition of more than 60 companies, non-government organizations, and labor groups. But months after the close of this comment period, we are still waiting for this guidance to be announced. Given the substantial amount of input received during this comment period and in the months before, we hope that Treasury will be ready to issue guidance as soon as possible so eligible stakeholders can begin to take advantage of the 45Q tax credit.

We cannot afford to waste valuable time. There is an opportunity before us to catalyze an entirely new market that can help us reduce emissions while also boosting our economy, creating thousands of new jobs, and furthering our domestic energy dominance. Already, large companies, like Occidental Petroleum, Exxon, Chevron, are investing in carbon capture projects, but 45Q is critical for this technology to be reach its full potential. We request that you keep us apprised of your progress and issue this guidance as quickly as possible.

Sincerely,



Lizzie Fletcher
Member of Congress



David Schweikert
Member of Congress