

118TH CONGRESS
2D SESSION

S. 5167

To amend section 45Q of the Internal Revenue Code of 1986 to establish the mine methane capture incentive credit.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 25, 2024

Mr. WARNER (for himself and Mrs. CAPITO) introduced the following bill;
which was read twice and referred to the Committee on Finance

A BILL

To amend section 45Q of the Internal Revenue Code of 1986 to establish the mine methane capture incentive 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 “Methane Reduction
5 and Economic Growth Act”.

6 **SEC. 2. MINE METHANE CAPTURE INCENTIVE CREDIT.**

7 (a) IN GENERAL.—Section 45Q(f) of the Internal
8 Revenue Code of 1986 is amended by adding at the end
9 the following new paragraph:

10 “(10) METHANE CAPTURE.—

1 “(A) IN GENERAL.—In the case of quali-
2 fied methane—

3 “(i) subsection (a)(4) shall be applied
4 as if it read as follows:

5 ““(4) the applicable dollar amount (as deter-
6 mined under subsection (b)(1)) per metric ton of
7 CO₂e (as defined in section 45Z(d)(2)) of qualified
8 methane which is—

9 ““(A) captured by the taxpayer using
10 methane capture equipment which is originally
11 placed in service at a qualified facility on or
12 after the date of the enactment of the Bipar-
13 tisan Budget Act of 2018, during the 12-year
14 period beginning on the date the equipment was
15 originally placed in service, and

16 ““(B)(i) either—

17 ““(I) injected by the taxpayer for en-
18 ergy use—

19 ““(aa) in a pipeline which—

20 ““(AA) satisfies the pipeline
21 integrity management guidelines
22 under part 192 of title 49, Code
23 of Federal Regulations, and

24 ““(BB) is in compliance
25 with instrumental leak moni-

1 toring and other preventive and
2 mitigative measures under sec-
3 tion 192.935 of such title, or

4 “(bb) in a gathering system that
5 feeds a pipeline described in item
6 (aa), or

7 “(II) otherwise used for producing
8 heat (for industrial use or to heat a struc-
9 ture) or energy,
10 in a manner that does not involve more
11 than de minimis release of methane into
12 the atmosphere.’,

13 “(ii) for purposes of subsection (d),
14 the term ‘qualified facility’ means any min-
15 ing facility—

16 “(I) the construction of which be-
17 gins before January 1, 2033,

18 “(II) for which construction of
19 methane capture equipment begins be-
20 fore such date, and

21 “(III) which captures not less
22 than 2,500 metric tons of methane
23 during the taxable year, and

1 “(iii) for purposes of subsections
2 (b)(2), (f)(1), (f)(4), (h), and (i), such sub-
3 sections shall be applied—

4 “(I) by substituting ‘methane
5 capture’ for ‘carbon capture’ each
6 place such term appears, and

7 “(II) by substituting ‘qualified
8 methane’ for ‘qualified carbon oxide’
9 each place such term appears.

10 “(B) QUALIFIED METHANE DEFINED.—

11 For purposes of this paragraph, the term
12 ‘qualified methane’ means any methane
13 which—

14 “(i) is captured from mining activities
15 (including underground mines, abandoned
16 or closed mines, or surface mines) by
17 methane capture equipment,

18 “(ii) would otherwise be released into
19 the atmosphere as an industrial emission
20 of greenhouse gas or lead to such release,
21 and

22 “(iii) is measured at the source of
23 capture and verified at the point of injec-
24 tion or utilization.”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section shall apply to qualified methane captured after
3 December 31, 2023.

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