

119TH CONGRESS  
1ST SESSION

# H. R. 1946

To amend the Internal Revenue Code of 1986 to repeal the carbon oxide sequestration credit.

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IN THE HOUSE OF REPRESENTATIVES

MARCH 6, 2025

Mr. PERRY (for himself and Mr. KHANNA) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to repeal the carbon oxide 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 “45Q Repeal Act of  
5 2025”.

6 **SEC. 2. REPEAL OF CARBON OXIDE SEQUESTRATION CRED-**  
7 **IT.**

8 (a) IN GENERAL.—Subpart D of part IV of sub-  
9 chapter A of chapter 1 of the Internal Revenue Code of  
10 1986 is amended by repealing section 45Q and by striking

1 the item relating to such section from the table of sections  
 2 for such subpart.

3 (b) CONFORMING AMENDMENTS.—

4 (1) Section 38(b) is amended by striking para-  
 5 graph (29).

6 (2) Section 45V(d) is amended by striking  
 7 paragraph (2).

8 (3) Section 48(a)(15) is amended—

9 (A) in subparagraph (B), by striking “or  
 10 section 45Q”, and

11 (B) in subparagraph (C)(ii)(I), by striking  
 12 “or 45Q”.

13 (4) Section 45Y(b)(1)(D) is amended by strik-  
 14 ing “45Q,”.

15 (5) Section 45Y(b)(2)(D) is amended to read as  
 16 follows:

17 “(D) CARBON CAPTURE AND SEQUESTRA-  
 18 TION EQUIPMENT.—

19 “(i) IN GENERAL.—For purposes of  
 20 this subsection, the amount of greenhouse  
 21 gases emitted into the atmosphere by a fa-  
 22 cility in the production of electricity shall  
 23 not include any qualified carbon dioxide  
 24 that is captured by the taxpayer and—

1 “(I) pursuant to any regulations  
2 established under clause (ii), disposed  
3 of by the taxpayer in secure geological  
4 storage, or

5 “(II) utilized by the taxpayer in  
6 a manner described in paragraph (5)  
7 of such section.

8 “(ii) REGULATIONS.—

9 “(I) IN GENERAL.—The Sec-  
10 retary, in consultation with the Ad-  
11 ministrator of the Environmental Pro-  
12 tection Agency, the Secretary of En-  
13 ergy, and the Secretary of the Inte-  
14 rior, shall establish regulations for de-  
15 termining adequate security measures  
16 for the geological storage of qualified  
17 carbon oxide under clause (i) such  
18 that the qualified carbon oxide does  
19 not escape into the atmosphere. Such  
20 term shall include storage at deep sa-  
21 line formations, oil and gas reservoirs,  
22 and unminable coal seams under such  
23 conditions as the Secretary may deter-  
24 mine under such regulations.

1 “(II) QUALIFIED CARBON  
2 OXIDE.—For purposes of this clause,  
3 the term ‘qualified carbon oxide’ has  
4 the meaning given such term in sec-  
5 tion 45Q(c) as such section was in ef-  
6 fect on the day before the date of the  
7 enactment of the 45Q Repeal Act of  
8 2025.”.

9 (6) Section 45Z(d)(4)(B) is amended by strik-  
10 ing clause (iii).

11 (7) Section 48C(f) is amended by striking  
12 “45Q,”.

13 (8) Section 48E(b)(3)(C) is amended by strik-  
14 ing clause (iii).

15 (9) Section 142(o)(1)(B) is amended by insert-  
16 ing “, as such section was in effect on the day before  
17 the date of the enactment of the 45Q Repeal Act of  
18 2025” after “45Q(e)(3)”.

19 (10) Section 6417 is amended—

20 (A) in subsection (b) by striking paragraph  
21 (3), and

22 (B) in subsection (d)—

23 (i) in paragraph (1)(C), by inserting  
24 “, as such section was in effect on the day  
25 before the date of the enactment of the

1                   45Q Repeal Act of 2025” after “45Q(d)”,  
2                   and

3                   (ii) in paragraph (3)(C)(i)(II)(bb), by  
4                   striking “period described in paragraph  
5                   (3)(A) or (4)(A) of section 45Q(a) with re-  
6                   spect to such equipment” and inserting  
7                   “12-year period beginning on the date the  
8                   equipment was originally placed in serv-  
9                   ice”.

10                  (11) Section 6418(f)(1)(A) is amended by strik-  
11                  ing clause (iii).

12                  (c) EFFECTIVE DATE.—The amendments made by  
13                  this section shall apply to taxable years beginning after  
14                  December 31, 2025.

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