

114TH CONGRESS
2D SESSION

S. 3459

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 SENATE OF THE UNITED STATES

SEPTEMBER 28, 2016

Mr. HOEVEN (for himself, Mr. DAINES, Mr. WICKER, and Mr. McCONNELL) introduced the following bill; which was read twice and referred to the Committee on Finance

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. SECURE GEOLOGICAL STORAGE OF CARBON**
4 **DIOXIDE.**

5 Paragraph (2) of section 45Q(d) of the Internal Rev-
6 enue Code of 1986 is amended to read as follows:

7 “(2) SECURE GEOLOGICAL STORAGE.—

1 “(A) IN GENERAL.—Not later than De-
2 cember 31, 2016, the Secretary, in consultation
3 with the Administrator of the Environmental
4 Protection Agency, the Secretary of Energy,
5 and the Secretary of the Interior, shall establish
6 regulations for determining adequate security
7 measures for the geological storage of carbon
8 dioxide under paragraph (1)(B) or (2)(C) of
9 subsection (a) such that the carbon dioxide does
10 not escape into the atmosphere.

11 “(B) REQUIREMENTS.—The regulations
12 established pursuant to subparagraph (A) shall
13 provide that—

14 “(i) for purposes of paragraph (1)(B)
15 of subsection (a), carbon dioxide shall be
16 considered disposed of in secure geological
17 storage if such carbon dioxide is stored in
18 compliance with rules promulgated by the
19 Environmental Protection Agency under
20 subpart RR of part 98 of title 40, Code of
21 Federal Regulations (as in effect on the
22 date of the enactment of this paragraph),
23 under the Clean Air Act (42 U.S.C. 7401
24 et seq.) and rules under the Safe Drinking
25 Water Act (42 U.S.C. 300f et seq.) which

1 are applicable to carbon dioxide disposed of
2 in secure geological storage and not used
3 as a tertiary injectant in a qualified en-
4 hanced oil or natural gas recovery project,
5 and

6 “(ii) for purposes of paragraph (2)(C)
7 of subsection (a), carbon dioxide shall be
8 considered disposed of in secure geological
9 storage if such carbon dioxide is stored in
10 compliance with rules promulgated by the
11 Environmental Protection Agency which
12 are applicable to carbon dioxide used as a
13 tertiary injectant in a qualified enhanced
14 oil or natural gas recovery project under—

15 “(I) subpart UU of part 98 of
16 title 40, Code of Federal Regulations
17 (as in effect on the date of the enact-
18 ment of this paragraph), under the
19 Clean Air Act, and

20 “(II) subpart C of part 146 of
21 title 40, Code of Federal Regulations
22 (as in effect on the date of the enact-
23 ment of this paragraph), under the
24 Safe Drinking Water Act, to the ex-

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1 tent such rules are applicable to Class
2 II wells.”.

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