

119TH CONGRESS
1ST SESSION

H. R. 1881

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

IN THE HOUSE OF REPRESENTATIVES

MARCH 5, 2025

Mrs. MILLER of West Virginia (for herself, Ms. SEWELL, Mr. RESCHENTHALER, and Mr. DELUZIO) introduced the following bill; which was referred to the Committee on Ways and Means

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) paragraph (4) of subsection (a)
4 shall be applied—

5 “(I) by substituting ‘per metric
6 ton of CO₂e (as defined in section
7 45Z(d)(2)) of qualified methane’ for
8 ‘per metric ton of qualified carbon
9 oxide’,

10 “(II) by substituting ‘methane
11 capture equipment’ for ‘carbon cap-
12 ture equipment’, and

13 “(III) by applying the following
14 in lieu of subparagraph (B) thereof:

15 ““(B) either—

16 ““(i) injected by the taxpayer for en-
17 ergy use—

18 ““(I) in a pipeline which satisfies
19 the pipeline integrity management
20 guidelines of section 192 of title 49,
21 Code of Federal Regulations, and is in
22 compliance with instrumental leak
23 monitoring and other preventive and
24 mitigative measures under section

1 192.935 of title 49, Code of Federal
2 Regulations, or

3 “(II) in a gathering system that
4 feeds a pipeline described in subclause
5 (I), or

6 “(ii) otherwise used for producing
7 heat (for industrial use or to heat a struc-
8 ture) or other energy, in a manner that
9 does not involve more than de-minimis re-
10 lease of methane into the atmosphere’ for
11 ‘used by the taxpayer as a tertiary
12 injectant in a qualified enhanced oil or nat-
13 ural gas recovery project and disposed of
14 by the taxpayer in secure geological stor-
15 age’,’,

16 “(ii) the term ‘qualified facility’ shall
17 mean any individual source of qualified
18 methane such as borehole, well, or vent
19 shaft constructed at a mining facility—

20 “(I) the construction of which be-
21 gins before January 1, 2036,

22 “(II) for which construction of
23 methane capture equipment begins be-
24 fore such date, and

1 “(III) which captures not less
2 than 2,500 metric tons of CO₂e meth-
3 ane during the taxable year, and

4 “(iii) this section shall be applied by
5 substituting ‘methane capture’ for ‘carbon
6 capture’ and ‘qualified methane’ for ‘quali-
7 fied carbon oxide’ in subsections (b)(2),
8 (f)(1), (f)(4), (h), and (i)(1).

9 “(B) QUALIFIED METHANE DEFINED.—
10 For purposes of this paragraph, the term
11 ‘qualified methane’ means any methane
12 which—

13 “(i) is captured from mining activi-
14 ties, including underground mines, aban-
15 doned or closed mines, or surface mines,
16 by methane capture equipment,

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

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

23 “(C) METHANE CAPTURE EQUIPMENT DE-
24 FINED.— For purposes of this paragraph, the
25 term ‘methane capture equipment’ means

1 equipment built to connect a qualified facility
2 to—

3 “(i) a preexisting or new pipeline sys-
4 tem, or

5 “(ii) to energy generation equipment,
6 to capture qualified methane from such
7 source.”.

8 (b) EFFECTIVE DATE.—The amendments made by
9 this section shall apply to qualified methane captured after
10 December 31, 2024.

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