

H.R. ____, Enhanced Carbon Oxide Sequestration Tax Credit Act of 2020

Overview:

H.R. ____, the ECOS Tax Credit Act of 2020, permanently extends and enhances the Section 45Q tax credit for carbon use and sequestration.

Summary of Major Provisions:

- Increases the value of the tax credit by 25% for carbon sourced from direct air capture.
 - This results in a credit of \$62.50 per ton, or \$43.75 per ton when used for enhanced oil and gas recovery.
- Permanently extends the credit by repealing the placed-in-service deadline.
- Reduces the minimum size of direct air capture project that qualifies for the credit from 100,000 tons to 50,000 tons.