

## **Section-By-Section for the CATCH ACT**

### **SEC. 2. MODIFICATION OF CARBON OXIDE SEQUESTRATION CREDIT.**

After 2021, increases the value of the sequestration and utilization tax credit in Section 45Q(b) of the Internal Revenue from \$50 per metric ton to \$85 per metric ton for saline sequestration and increases the value of EOR sequestration and other utilization from \$35 per metric ton to \$60 per metric ton. These amounts are adjusted for inflation consistent with current law. These higher values are critical to developing carbon capture on a broader range of facilities, including cement, steel, chemical, gas-fired power plants, and zero-carbon fuels production.

The bill eliminates credit eligibility thresholds based on CO<sub>2</sub> quantities found in Section 45Q(d)(2). Arbitrarily limiting carbon capture projects to large sizes decreases the universe of projects and deters innovation that often occurs at smaller scales. The revised section allows all industrial, power, and direct air capture plants to be eligible for 45Q credits regardless of the quantity of CO<sub>2</sub> they capture.