Table: Comparison of US federal Section 45Q tax credit with Canada's Clean Economy Investment Tax Credit (ITC) for Carbon Capture, Utilization, and Storage (CCUS)

Key Elements		US federal Section 45Q	Canada's Clean Energy ITC for CCUS
Eligible Activity		Metric tons of carbon oxides securely stored in appropriate geological formation or reused as feedstock to produce low carbon embodied product, which is captured by eligible direct air capture (DAC) facilities, industrial facilities or electric generating units.	Expenditures incurred for the investment in deploying equipment or facilities for the CCUS project.
Credit Value (per metric tons of carbon oxides stored or utilized)		For dedicated geologic storage: $85 for industrial facilities and electric generating units; and $180 for DAC.	Not applicable.
		For utilization: $60 for industrial facilities and electric generating units; and $130 for DAC.	
		For enhanced oil recovery: $60 for industrial facilities and electric generating units; $130 for DAC.	
Credit Value (of eligible expenditure incurred)	from 2022 to 2030	Not applicable.	For DAC: 60%
			For industry and power capture: 50%
			For transport, storage and use: 37.5%
	from 2031 to 2040	Not applicable.	For DAC: 30%
			For industry and power capture: 25%
			For transport, storage and use: 18.75%
Claim Period		12-year period once the facility is placed in service.	Maximum of 18 years period i.e., until December 31, 2040, from January 1, 2022.

Timeframe of Availability (based on date of equipment placed)	Eligible projects that begin construction before January 1, 2033, can claim credit for up to 12 years after being placed in service.	For eligible equipment placed from January 1, 2022, to December 31, 2040.
Timeframe of Availability (based on date after being placed in service)	Up to12 years once placed in service.	Not applicable.
Adjustment for Inflation	Adjusted after 2027 using the base index year of 2026.	Automatically adjusted for each year due to the percentage-based tax credit on the incurred expenditures.
Minimum Annual Capture Requirement	Power plants: 18,750 metric tons.	Not applicable.
	DAC facilities: capture at least 1,000 metric tons.	
	Industrial facilities: capture at least 12,500 metric tons.	
Direct Pay	For tax-exempt entities: Allows tax-exempt organizations (i.e., nonprofit projects, cooperatives, and municipal utilities) to access direct pay for the entire 12 years of the credit.	Available for the taxable Canadian corporation that has a qualified CCUS project for qualified CCUS expenditures.
	For profit entities: Allows project developers to access direct pay for the first 5 years after carbon capture equipment is placed in service.	
Transferability	One time transfer allowed.	Not applicable.