

118TH CONGRESS
1ST SESSION

H. R. 3982

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

IN THE HOUSE OF REPRESENTATIVES

JUNE 9, 2023

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) in subparagraph (B)(i), by
14 substituting ‘either—

15 “(I) injected by the taxpayer for
16 energy use—

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

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

3 ““(bb) in a gathering system
4 that feeds a pipeline described in
5 item (aa), or

6 ““(II) otherwise used for pro-
7 ducing heat or energy,

8 in a manner that does not involve more
9 than de-minimis release of methane into
10 the atmosphere’ for ‘used by the taxpayer
11 as a tertiary injectant in a qualified en-
12 hanced oil or natural gas recovery project
13 and disposed of by the taxpayer in secure
14 geological storage’,

15 “(ii) the term ‘qualified facility’ shall
16 mean any mining facility, the construction
17 of which begins before January 1, 2033,
18 and where the construction of methane
19 capture equipment begins before such date,
20 and which captures not less than 2,500
21 metric tons of methane during the taxable
22 year, and

23 “(iii) this section shall be applied by
24 substituting ‘methane capture’ for ‘carbon
25 capture’ and ‘qualified methane’ for ‘quali-

1 fied carbon oxide’ oxide’ in subsections
2 (b)(2)(B), (f)(1)(F)(4), (h), (i), and other-
3 wise as determined by the Secretary.

4 “(B) QUALIFIED METHANE DEFINED.—
5 For purposes of this paragraph, the term
6 ‘qualified methane’ means any methane
7 which—

8 “(i) is captured from mining activi-
9 ties, including underground mines, aban-
10 doned or closed mines, or surface mines,
11 by methane capture equipment,

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

15 “(iii) is measured at the source of
16 capture and verified at the point of injec-
17 tion or utilization.”.

18 (b) EFFECTIVE DATE.—The amendments made by
19 this section shall apply to qualified methane captured after
20 December 31, 2022.

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