

118TH CONGRESS  
2D SESSION

# S. 5212

To amend the Internal Revenue Code of 1986 to modify the carbon oxide sequestration credit to ensure parity for different uses and utilizations of qualified carbon oxide.

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## IN THE SENATE OF THE UNITED STATES

SEPTEMBER 25, 2024

Mr. BARRASSO (for himself, Mr. LANKFORD, and Mr. CASSIDY) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to modify the carbon oxide sequestration credit to ensure parity for different uses and utilizations of qualified carbon oxide.

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 “Enhanced Energy Re-  
5 covery Act”.

1 **SEC. 2. PARITY FOR DIFFERENT USES AND UTILIZATIONS**  
2 **OF QUALIFIED CARBON OXIDE.**

3 (a) IN GENERAL.—Section 45Q of the Internal Rev-  
4 enue Code of 1986 is amended—

5 (1) in subsection (a)—

6 (A) in paragraph (2)(B)(ii), by adding  
7 “and” at the end,

8 (B) in paragraph (3), by striking subpara-  
9 graph (B) and inserting the following:

10 “(B)(i) disposed of by the taxpayer in se-  
11 cure geological storage and not used by the tax-  
12 payer as described in clause (ii) or (iii),

13 “(ii) used by the taxpayer as a tertiary  
14 injectant in a qualified enhanced oil or natural  
15 gas recovery project and disposed of by the tax-  
16 payer in secure geological storage, or

17 “(iii) utilized by the taxpayer in a manner  
18 described in subsection (f)(5).”, and

19 (C) by striking paragraph (4), and

20 (2) in subsection (b)—

21 (A) in paragraph (1)—

22 (i) by striking subparagraph (A) and  
23 inserting the following:

24 “(A) Except as provided in subparagraph  
25 (B) or (C), the applicable dollar amount shall  
26 be an amount equal to—

1 “(i) for any taxable year beginning in  
2 a calendar year after 2024 and before  
3 2027, \$17, and

4 “(ii) for any taxable year beginning in  
5 a calendar year after 2026, an amount  
6 equal to the product of \$17 and the infla-  
7 tion adjustment factor for such calendar  
8 year determined under section 43(b)(3)(B)  
9 for such calendar year, determined by sub-  
10 stituting ‘2025’ for ‘1990’.”, and

11 (ii) in subparagraph (B), by striking  
12 “shall be applied” and all that follows  
13 through the period and inserting “shall be  
14 applied by substituting ‘\$36’ for ‘\$17’ each  
15 place it appears.”,

16 (B) in paragraph (2)(B), by striking  
17 “paragraphs (3)(A) and (4)(A)” and inserting  
18 “paragraph (3)(A)”, and

19 (C) in paragraph (3), by striking “the dol-  
20 lar amounts applicable under paragraph (3) or  
21 (4)” and inserting “the dollar amount applica-  
22 ble under paragraph (3)”,

23 (3) in subsection (f)—

24 (A) in paragraph (5)(B)(i), by striking  
25 “(4)(B)(ii)” and inserting “(3)(B)(iii)”, and

1 (B) in paragraph (9), by striking “para-  
2 graphs (3) and (4) of subsection (a)” and in-  
3 serting “subsection (a)(3)”, and

4 (4) in subsection (h)(3)(A)(ii), by striking  
5 “paragraph (3)(A) or (4)(A) of subsection (a)” and  
6 inserting “subsection (a)(3)(A)”.

7 (b) CONFORMING AMENDMENT.—Section  
8 6417(d)(3)(C)(i)(II)(bb) of the Internal Revenue Code of  
9 1986 is amended by striking “paragraph (3)(A) or (4)(A)  
10 of section 45Q(a)” and inserting “section 45Q(a)(3)(A)”.

11 (c) EFFECTIVE DATE.—The amendments made by  
12 this section shall apply to taxable years beginning after  
13 December 31, 2024.

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