

118TH CONGRESS  
2D SESSION

**S.** \_\_\_\_\_

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

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IN THE SENATE OF THE UNITED STATES

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Mr. WARNER (for himself and Mrs. CAPITO) introduced the following bill; which was read twice and referred to the Committee on

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**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) subsection (a)(4) shall be applied  
4                   as if it read as follows:

5                   “(4) the applicable dollar amount (as deter-  
6                   mined under subsection (b)(1)) per metric ton of  
7                   CO<sub>2</sub>e (as defined in section 45Z(d)(2)) of qualified  
8                   methane which is—

9                   “(A) captured by the taxpayer using  
10                   methane capture equipment which is originally  
11                   placed in service at a qualified facility on or  
12                   after the date of the enactment of the Bipar-  
13                   tisan Budget Act of 2018, during the 12-year  
14                   period beginning on the date the equipment was  
15                   originally placed in service, and

16                   “(B)(i) either—

17                   “(I) injected by the taxpayer for en-  
18                   ergy use—

19                   “(aa) in a pipeline which—

20                   “(AA) satisfies the pipeline  
21                   integrity management guidelines  
22                   under part 192 of title 49, Code  
23                   of Federal Regulations, and

24                   “(BB) is in compliance  
25                   with instrumental leak moni-

1                   toring and other preventive and  
2                   mitigative measures under sec-  
3                   tion 192.935 of such title, or

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

7                   “(II) otherwise used for producing  
8                   heat (for industrial use or to heat a struc-  
9                   ture) or energy,  
10                  in a manner that does not involve more  
11                  than de minimis release of methane into  
12                  the atmosphere.’,

13                  “(ii) for purposes of subsection (d),  
14                  the term ‘qualified facility’ means any min-  
15                  ing facility—

16                  “(I) the construction of which be-  
17                  gins before January 1, 2033,

18                  “(II) for which construction of  
19                  methane capture equipment begins be-  
20                  fore such date, and

21                  “(III) which captures not less  
22                  than 2,500 metric tons of methane  
23                  during the taxable year, and

1 “(iii) for purposes of subsections  
2 (b)(2), (f)(1), (f)(4), (h), and (i), such sub-  
3 sections shall be applied—

4 “(I) by substituting ‘methane  
5 capture’ for ‘carbon capture’ each  
6 place such term appears, and

7 “(II) by substituting ‘qualified  
8 methane’ for ‘qualified carbon oxide’  
9 each place such term appears.

10 “(B) QUALIFIED METHANE DEFINED.—  
11 For purposes of this paragraph, the term  
12 ‘qualified methane’ means any methane  
13 which—

14 “(i) is captured from mining activities  
15 (including underground mines, abandoned  
16 or closed mines, or surface mines) by  
17 methane capture equipment,

18 “(ii) would otherwise be released into  
19 the atmosphere as an industrial emission  
20 of greenhouse gas or lead to such release,  
21 and

22 “(iii) is measured at the source of  
23 capture and verified at the point of injec-  
24 tion or utilization.”.

1           (b) **EFFECTIVE DATE.**—The amendment made by  
2 this section shall apply to qualified methane captured after  
3 December 31, 2023.