

45Q Tax Credit

Capture of Qualified Carbon Oxide from Industry, Power or Direct Air Capture for Storage or Reuse

	Annual Carbon Capture Thresholds (metric tons of CO ₂ /CO per year)	Credit value for secure storage of CO ₂ in saline or other geologic formations	Credit value for carbon reuse projects to convert CO or CO ₂ into useful products (e.g. fuels, chemicals, products)	Credit value for secure geologic storage of CO ₂ in oil and gas fields
Direct Air Capture Facilities	1,000 or more	\$180 per ton	\$130 per ton	\$130 per ton
Industrial Facilities (e.g. ethanol, steel, cement, and chemicals)	12,500 or more	\$85 per ton	\$60 per ton	\$60 per ton
Electric Generating Units (e.g. coal, natural gas and biomass-fired powered plants)	18,750 or more	\$85 per ton	\$60 per ton	\$60 per ton

Timing: Projects must begin construction before January 1, 2033, and may claim the credit for up to 12 years after being placed in service.

Eligibility: Carbon capture and direct air capture projects that capture and reuse or geologically store carbon oxides (CO₂ or CO) are eligible to claim the credit so long as they demonstrate amounts of CO₂ stored or utilized using existing EPA regulations.

Project Wage and Labor Requirements: To claim the full credit level, project developers must comply with project wage and labor requirements as outlined by the U.S. Department of the Treasury and Internal Revenue Service.