

United States Senate

WASHINGTON, DC 20510

May 20, 2019

Secretary Steven T. Mnuchin
Department of the Treasury
1500 Pennsylvania Ave., N.W.
Washington, DC 20220

Dear Secretary Mnuchin:

On February 6, 2019, the attached letter was sent to IRS Assistant Secretary David Kautter and Acting Chief Counsel William M. Paul to highlight the pressing need for regulatory guidance following the enactment of the FUTURE Act (PL 115-123, section 41119). Implementation of this legislation is critical for establishing a domestic market for carbon to reduce emissions, create and preserve jobs, and drive further commercial deployment of carbon capture projects. It has now been over a year since the bill's passage and taxpayers remain unable to claim the revised credit.

Carbon capture projects need financial certainty up front due to long lead times for development and construction. It is imperative that developers have IRS guidance in the near term so project sponsors can demonstrate qualification for the credit as they seek private investment in a timely fashion before the January 1, 2024 tax credit commence construction deadline.

The Department of Treasury recently published a request for information (RFI) with a 45-day public comment period. This RFI lays the groundwork for a proposed rule and subsequent final rule, but we remain far from an updated, implementable credit framework usable for project developers and financiers.

We request that Treasury commit additional staff to the development of the final rule and the review of comments associated with the RFI and issue interim guidance so that project developers can utilize the tax credit without additional delay. We also request that you keep us apprised of your progress.

Thank you for your consideration and we look forward to your prompt attention to this request.

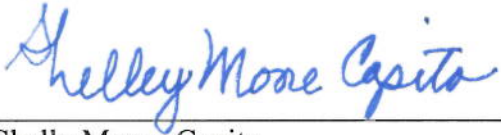
Sincerely,



Sheldon Whitehouse
United States Senator



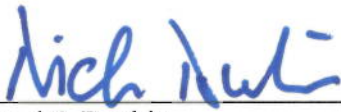
John Barrasso
United States Senator



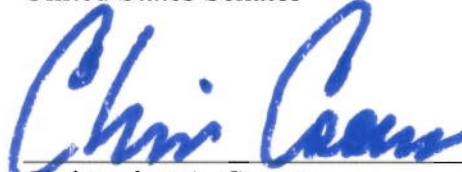
Shelly Moore Capito
United States Senator



Joe Manchin III
United States Senator



Richard J. Durbin
United States Senator



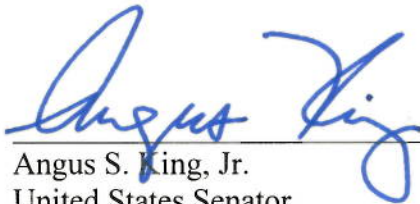
Christopher A. Coons
United States Senator



Kevin Cramer
United States Senator



Tammy Duckworth
United States Senator



Angus S. King, Jr.
United States Senator



John Hoeven
United States Senator

United States Senate

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February 6, 2019

Honorable David Kautter
Assistant Secretary (Tax Policy)
Department of the Treasury
1500 Pennsylvania Ave., N.W.
Washington, DC 20220

William M. Paul
Acting Chief Counsel
Internal Revenue Service
1111 Constitution Ave., NW
Washington, DC 20024

Dear Messrs. Kautter and Paul:

Last year, a broad bipartisan coalition successfully included the Furthering Carbon Capture, Utilization, Technology, Underground Storage, and Reduced Emissions Act (FUTURE Act) in the Bipartisan Budget Act of 2018. The FUTURE Act enhanced the existing carbon sequestration credit under section 45Q of the Internal Revenue Code, expanding the credit to a wide range of carbon capture technologies.

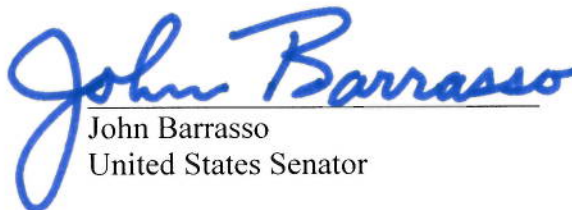
It has been a year since the bill's passage, and we write today to request that Treasury commit staff and resources to finalize a revised guidance promptly. Recent reports have cited that several project developers are interested in using the expanded credit, but require updated guidance from Treasury. These projects have long lead times, and therefore developers need certainty in order to commence construction by the January 1, 2024 deadline.

We also request a staff briefing on the status of the revised guidance at your earliest opportunity. Thank you for your work, and we look forward to hearing from you soon.

Sincerely,



Sheldon Whitehouse
United States Senator



John Barrasso
United States Senator



Shelley Moore Capito
United States Senator