

United States Senate
WASHINGTON, DC 20510

May 18, 2020

The Honorable Steven T. Mnuchin
Secretary of the Treasury
U.S. Department of the Treasury
1500 Pennsylvania Avenue NW
Washington, DC 20220

Dear Secretary Mnuchin,

It has been reported the Treasury Department is considering granting a one-year extension in the deadline to qualify wind and solar projects under the federal Investment Tax Credit and Production Tax Credit due to issues companies are experiencing because of the impacts of COVID-19.

I urge your department to utilize the same regulatory flexibility and extend the construction commencement deadline for companies seeking to utilize the 45Q Carbon Capture Tax Credit. Like every aspect of the American economy, this disease has equally impacted companies investing in carbon sequestration projects.

As you know, according to the IRS guidance documents released February 23, 2020, companies which have begun construction by starting physical work of a significant nature or by incurring five percent or more of the total cost of the facility or property are considered within the safe harbor. They need to demonstrate continuous efforts to complete construction and are deemed to fulfill this requirement if the facility or property is in service within six years. Extending the safe harbor to qualify for the 45Q tax credit will create and protect thousands of jobs, provide regulatory certainty and further incentivize carbon capture projects to reduce emissions.

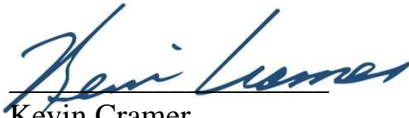
The impact of COVID-19 on the economy, combined with the fact the IRS still has not issued final guidelines for using the 45Q tax credit after two years, has deterred many companies from starting construction. In fact, the Energy Department's top fossil energy official recently said there were "billions of dollars" of projects stuck waiting.

In light of the wide-ranging impacts COVID-19 continues to have on the American economy, combined with the over two-year delay in final 45Q guidance, it makes sense to provide as much administrative flexibility as possible.

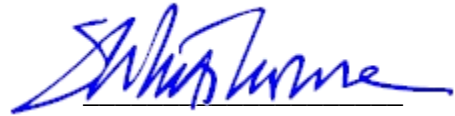
The reported action Treasury is taking on behalf of wind and solar projects should be replicated for carbon sequestration projects seeking to utilize the 45Q credit. An extension, combined with completing the anticipated final regulations, will provide much-needed certainty for companies waiting to invest.

The 45Q tax credit passed in 2018 with broad bipartisan support. Across the aisle, we are anxious to see it successfully implemented. Your swift action would be greatly appreciated.

Sincerely,



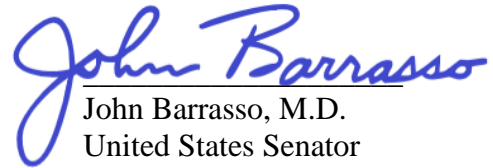
Kevin Cramer
United States Senator



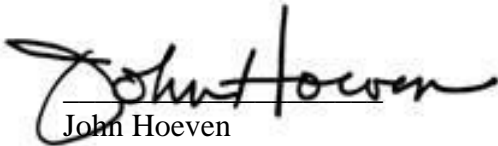
Sheldon Whitehouse
United States Senator



Shelley Moore Capito
United States Senator



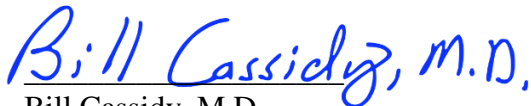
John Barrasso, M.D.
United States Senator



John Hoeven
United States Senator



Tina Smith
United States Senator



Bill Cassidy, M.D.
United States Senator

cc: Russell Vought, OMB