

119TH CONGRESS  
1ST 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) paragraph (4) of subsection (a)  
4                   shall be applied—

5                   “(I) by substituting ‘per metric  
6                   ton of CO<sub>2</sub>e (as defined in section  
7                   45Z(d)(2)) of qualified methane’ for  
8                   ‘per metric ton of qualified carbon  
9                   oxide’,

10                  “(II) by substituting ‘methane  
11                  capture equipment’ for ‘carbon cap-  
12                  ture equipment’, and

13                  “(III) by applying the following  
14                  in lieu of subparagraph (B) thereof:

15                  “(i) either—

16                  “(I) injected by the taxpayer for  
17                  energy use—

18                  “(aa) in a pipeline which  
19                  satisfies the pipeline integrity  
20                  management guidelines of section  
21                  192 of title 49, Code of Federal  
22                  Regulations, and is in compliance  
23                  with instrumental leak moni-  
24                  toring and other preventive and  
25                  mitigative measures under sec-

1                   tion 192.935 of title 49, Code of  
2                   Federal Regulations, or

3                   ““(bb) in a gathering system  
4                   that feeds a pipeline described in  
5                   subclause (I), or

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

12                  “(ii) the term ‘qualified facility’ shall  
13                  mean any individual source of qualified  
14                  methane such as borehole, well, or vent  
15                  shaft constructed at a mining facility—

16                  “(I) the construction of which be-  
17                  gins before January 1, 2036,

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 CO<sub>2</sub>e meth-  
23                  ane during the taxable year,

24                  “(iii) subsection (b)(2)(A)(ii) shall be  
25                  applied by substituting ‘the greatest

1 amount of methane captured at such facil-  
2 ity in any year ending prior to’ for ‘the  
3 total amount of the carbon dioxide capture  
4 capacity of the carbon capture equipment  
5 in service at such facility on the day be-  
6 fore’, and

7 “(iv) this section shall be applied by  
8 substituting ‘methane capture’ for ‘carbon  
9 capture’ and ‘qualified methane’ for ‘quali-  
10 fied carbon oxide’ in subsection (b)(2),  
11 (f)(1), (h), and (i)(1).

12 “(B) QUALIFIED METHANE DEFINED.—

13 For purposes of this paragraph, the term  
14 ‘qualified methane’ means any methane  
15 which—

16 “(i) is captured from mining activi-  
17 ties, including underground mines, aban-  
18 doned or closed mines, or surface mines,  
19 by methane capture equipment,

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

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

1                   “(C) METHANE CAPTURE EQUIPMENT DE-  
2                   FINED.—For purposes of this paragraph, the  
3                   term ‘methane capture equipment’ means  
4                   equipment built to connect a qualified facility  
5                   to—

6                               “(i) a preexisting or new pipeline sys-  
7                               tem, or

8                               “(ii) to energy generation equipment,  
9                               to capture qualified methane from such  
10                              source.”.

11           (b) EFFECTIVE DATE.—The amendments made by  
12 this section shall apply to qualified methane captured after  
13 December 31, 2024.