

Name(s) shown on return

Identifying number

**Qualified carbon oxide captured using carbon capture equipment originally placed in service at a qualified facility before February 9, 2018, disposed of in secure geological storage and not used as a tertiary injectant in a qualified enhanced oil or natural gas recovery project, nor utilized in a way described in section 45Q(f)(5).**

- 1a** Metric tons captured and disposed of . . . . . \_\_\_\_\_
- b** Inflation-adjusted credit rate . . . . . \_\_\_\_\_
- c** Multiply line 1a by line 1b . . . . . \_\_\_\_\_

**1c**

**Qualified carbon oxide captured using carbon capture equipment originally placed in service at a qualified facility before February 9, 2018, disposed of in secure geological storage and used as a tertiary injectant in a qualified enhanced oil or natural gas recovery project, or utilized in a way described in section 45Q(f)(5).**

- 2a** Metric tons captured and used . . . . . \_\_\_\_\_
- b** Inflation-adjusted credit rate . . . . . \_\_\_\_\_
- c** Multiply line 2a by line 2b . . . . . \_\_\_\_\_

**2c**

**Qualified carbon oxide captured using carbon capture equipment originally placed in service at a qualified facility on or after February 9, 2018, during the 12-year period beginning on the date the equipment was originally placed in service, disposed of in secure geological storage, and not used as a tertiary injectant in a qualified enhanced oil or natural gas recovery project, nor utilized as described in section 45Q(f)(5).**

- 3a** Metric tons captured and disposed of . . . . . \_\_\_\_\_
- b** Section 45Q(a)(3) applicable dollar amount (see instructions) . . . . . \_\_\_\_\_
- c** Multiply line 3a by line 3b . . . . . \_\_\_\_\_

**3c**

**Qualified carbon oxide captured using carbon capture equipment originally placed in service at a qualified facility on or after February 9, 2018, during the 12-year period beginning on the date the equipment was originally placed in service, disposed of in secure geological storage, and used as a tertiary injectant in a qualified enhanced oil or natural gas recovery project, or used as described in section 45Q(f)(5).**

- 4a** Metric tons captured and disposed of . . . . . \_\_\_\_\_
- b** Section 45Q(a)(4) applicable dollar amount (see instructions) . . . . . \_\_\_\_\_
- c** Multiply line 4a by line 4b . . . . . \_\_\_\_\_

**4c**

**5** Section 45Q(b)(3) election. Check the box if you're making the election under section 45Q(b)(3)

**6** Section 45Q(f)(6) election. Check the box if you're making the election under section 45Q(f)(6)

**7** Reserved for future use

**8** Carbon oxide sequestration credit from partnerships and S corporations . . . . . **8**

**9** Add lines 1c, 2c, 3c, 4c, and 8. Partnerships and S corporations, report this amount on Schedule K. All others, report this amount on Form 3800, Part III, line 1x . . . . . **9**

**General Instructions**

Section references are to the Internal Revenue Code unless otherwise noted.

**Future Developments**

For the latest information about developments related to Form 8933 and its instructions, such as legislation enacted after they were published, go to [www.irs.gov/Form8933](http://www.irs.gov/Form8933).

**Purpose of Form**

Use Form 8933 to claim the section 45Q carbon oxide sequestration credit. See *Definitions* below.

For the purposes of this form, a partner in a partnership that has made a valid section 761(a) election will be considered the taxpayer. Partnerships with valid section 761(a) elections aren't required to complete or file this form. Instead, the partner is

required to complete and file this form in a manner commensurate with its undivided ownership interest in the qualified facility.

Taxpayers other than partnerships or S corporations whose only source of this credit is from those pass-through entities (other than a partnership with a valid 761(a) election) aren't required to complete or file this form. Instead, report this credit directly on line 1x of Form 3800, General Business Credit.

## How To Figure the Credit

Section 45Q(a)(1) allows a credit of \$20 per metric ton of qualified carbon oxide captured by the taxpayer using carbon capture equipment which is originally placed in service at a qualified facility before the date of the enactment of the Bipartisan Budget Act (DOE), disposed of by the taxpayer in secure geological storage, and not used by the taxpayer as a tertiary injectant in a qualified enhanced oil or natural gas recovery project.

Section 45Q(a)(2) allows a credit of \$10 per metric ton of qualified carbon oxide (1) captured by the taxpayer using carbon capture equipment which is originally placed in service at a qualified facility before DOE, and (2) either (a) used by the taxpayer as a tertiary injectant in a qualified enhanced oil or natural gas recovery project and disposed of by the taxpayer in secure geological storage, or (b) utilized by the taxpayer in a manner described in section 45Q(f)(5).

Section 45Q(a)(3) allows a credit of the applicable dollar amount (as determined under section 45Q(b)(1)) per metric ton of qualified carbon oxide (1) captured by the taxpayer using carbon capture equipment which is originally placed in service at a qualified facility on or after DOE during the 12-year period beginning on the date the equipment was originally placed in service, (2) disposed of by the taxpayer in secure geological storage, and (3) neither used as a tertiary injectant in a qualified enhanced oil or natural gas recovery project nor utilized in a manner described in section 45Q(f)(5).

Section 45Q(a)(4) allows a credit of the applicable dollar amount (as determined under section 45Q(b)(1)) per metric ton of qualified carbon oxide (1) captured by the taxpayer using carbon capture equipment which is originally placed in service at a qualified facility on or after DOE, during the 12-year period beginning on the date the equipment was originally placed in service, and (2) either (a) used by the taxpayer as a tertiary injectant in a qualified enhanced oil or natural gas recovery project and disposed of by the taxpayer in secure geological storage, or (b) utilized in a manner described in section 45Q(f)(5).

For purposes of determining the credit, a taxpayer may elect under section 45Q(b)(3) to have the dollar amounts applicable under section 45Q(a)(1) or (2) apply in lieu of the dollar amounts applicable under section 45Q(a)(3) or (4) for each metric ton of qualified carbon oxide which is captured by the taxpayer using carbon capture equipment which is originally placed in service at a qualified facility on or after DOE.

For the purpose of calculating the credit, a metric ton of carbon oxide includes only the contained weight of the carbon oxide. The weight of any other substances, such as water or impurities, isn't included in the calculation.

**2019 credit rates and applicable dollar amounts.** The credit rates for lines 1b and 2b are increased by the adjustment for inflation. The rates are as follows.

- Line 1b: \$23.40 per metric ton.
- Line 2b: \$11.70 per metric ton.

The section 45Q(b)(1) applicable dollar amounts for lines 3b and 4b are established by linear interpolation between \$22.66 and \$50, and \$12.83 and \$35, respectively. The applicable dollar amounts are credit rates and as follows.

- Line 3b: \$28.74 per metric ton.
- Line 4b: \$17.76 per metric ton.

See Notice 2019-31, available at [https://www.irs.gov/irb/2019-20\\_IRB](https://www.irs.gov/irb/2019-20_IRB) and Notice 2018-93, available at [https://www.irs.gov/irb/2018-51\\_IRB#NOT-2018-93](https://www.irs.gov/irb/2018-51_IRB#NOT-2018-93).

**Amount captured by additional carbon capture equipment on existing qualified facility.** For a qualified facility placed in service before DOE, for which additional carbon capture equipment is placed in service on or after DOE, the amount of qualified carbon oxide which is captured by the taxpayer is the following.

- For purposes of lines 1 and 2, equal to the lesser of (a) the total amount of qualified carbon oxide captured at such facility for the tax year, or (b) the total amount of the carbon dioxide capture capacity of the carbon capture equipment in service at such facility on the day before DOE.
- For purposes of lines 3 and 4, an amount (not less than zero) equal to the excess of (a) the total amount of qualified carbon oxide captured at such facility for the tax year, over (b) the total amount of the carbon dioxide capture capacity of the carbon capture equipment in service at such facility on the day before DOE.

## Definitions

### Qualified Carbon Oxide

This is (a) any carbon dioxide captured from an industrial source by carbon capture equipment originally placed in service before DOE, which would otherwise be released into the atmosphere as industrial emission of greenhouse gas or lead to such release, and is measured at the source of capture and verified at the point of disposal, injection, or use; (b) any carbon dioxide or other carbon oxide which is captured from an industrial source by carbon capture equipment originally placed in service on or after DOE, which would otherwise be released into the atmosphere as industrial emission of greenhouse gas or lead to such release, and is measured at the source of capture and verified at the point of disposal, injection, or use; or (c) in the case of a direct air capture facility, any carbon dioxide which is captured directly from the ambient air, and is measured at the source of capture and verified at the point of disposal, injection, or use.

Qualified carbon oxide also includes the initial deposit of captured carbon oxide used as a tertiary injectant. It doesn't include carbon oxide that's recaptured, recycled, and re-injected as part of the enhanced oil and natural gas recovery process.

### Qualified Facility

This is any industrial facility or direct air capture facility (a) the construction of which begins before January 1, 2024, and the construction of carbon capture equipment begins before that date, or the original planning and design for the facility includes installation of carbon capture equipment; and (b) which captures:

1. In a facility which emits not more than 500,000 metric tons of carbon oxide into the atmosphere during the tax year, not less than 25,000 metric tons of qualified carbon oxide during the tax year which is used as described under section 45Q(f)(5); or
2. In an electricity generating facility which isn't described in (1), not less than 500,000 metric tons of qualified carbon oxide during the tax year, or that captures at least 500,000 metric tons of carbon oxide during the tax year; or
3. In a direct air capture facility or any facility not described in (1) or (2), not less than 100,000 metric tons of qualified carbon oxide during the tax year.

## Secure Geological Storage

This includes storage at deep saline formations, oil and gas reservoirs, and unminable coal seams under such conditions as the IRS may determine under regulations.

After 2010, the following apply.

- Secure geological storage requires approval by the U.S. Environmental Protection Agency (EPA) of a Monitoring, Reporting, and Verification Plan (MRV Plan) submitted by the operator of the storage facility or tertiary injection project.
- The annual amount of carbon oxide claimed for the credit must be consistent with amounts reported to the EPA under its Greenhouse Gas Reporting Program, subpart RR.

See the EPA website at [www.epa.gov](http://www.epa.gov) and Notice 2009-83, 2009-44 I.R.B. 588, for more information on secure geological storage. Notice 2009-83 is available at [www.irs.gov/irb/2009-44\\_IRB/ar11.html](http://www.irs.gov/irb/2009-44_IRB/ar11.html).

## Tertiary Injectant

This is an injectant (other than a hydrocarbon injectant that is recoverable) that is used as part of a tertiary recovery method. For more details, see section 193(b).

## Qualified Enhanced Oil or Natural Gas Recovery Project

A qualified enhanced oil or natural gas recovery project means any project located in the United States involving the application of one or more tertiary recovery methods defined in section 193(b)(3) that can reasonably be expected to result in more than an insignificant increase in the amount of crude oil or natural gas that will ultimately be recovered and with respect to which the first injection of liquids, gases, or other matter begins after 1990.

The project won't be treated as a qualified enhanced crude oil or natural gas recovery project unless the operator submits to the IRS a certification from a petroleum engineer that the project meets (and continues to meet) these requirements.

## United States and U.S. Possessions

This includes the seabed and subsoil of those submarine areas that are adjacent to the territorial waters of the United States (or a U.S. possession) and over which the United States has exclusive rights according to international law for the exploration and exploitation of natural resources.

## Who Can Claim the Credit and Elections

You can elect to have the credit rates applicable to line 1b or 2b apply instead of the applicable dollar amounts applicable to lines 3b and 4b for each metric ton of qualified carbon oxide that is captured by you using carbon capture equipment which is originally placed in service at a qualified facility on or after DOE.

In the case of qualified carbon oxide captured using carbon capture equipment which is originally placed in service at a qualified facility before DOE, if you're the person that captures and physically or contractually ensures the disposal, utilization, or use as a tertiary injectant of this qualified carbon oxide, the credit is attributable to you unless you elect to allow the credit to the person that disposes of the qualified carbon oxide, utilizes the qualified carbon oxide, or uses the qualified carbon oxide as a tertiary injectant. If you make this election, the credit won't be allowed to you.

The credit is attributable to you in the case of qualified carbon oxide captured using carbon capture equipment that is originally placed in service at a qualified facility on or after DOE, if you're the person that owns the carbon capture equipment and physically or contractually ensures the disposal, utilization, or use as a tertiary injectant of this qualified carbon oxide. For purposes of section 45Q, for any tax year in which such facility is an applicable facility (a facility placed in service before DOE and for which no taxpayer claimed a section 45Q credit for any tax year ending before DOE) that captures not less than 500,000 metric tons of qualified carbon oxide during the tax year, you can elect to have the facility, and any carbon capture equipment placed in service at the facility, treated as if it was placed in service on DOE.

## Application of Section 45Q for Certain Carbon Capture Equipment

In the case of any carbon capture equipment placed in service before DOE, the credit will apply to qualified carbon oxide captured using such equipment before the end of the calendar year in which the Secretary, in consultation with the Administrator of the EPA, certifies that, during the period beginning after October 3, 2008, a total of 75 million metric tons of qualified carbon oxide have been taken into account in accordance with section 45Q(a), as in effect on the day before DOE, and section 45Q(a)(1) and (2).



*Regulations and other guidance will be issued for this credit, including guidance on making elections, to ensure proper allocation for qualified carbon oxide captured by a taxpayer during the tax year ending after DOE, and to determine whether a facility satisfies the requirements under section 45Q(d)(1) during such tax year.*

## Recapture

Regulations will provide for recapturing the benefit of any credit allowable under section 45Q for any qualified carbon oxide which ceases to be captured, disposed of, or used as a tertiary injectant in a manner consistent with the requirements of section 45Q.

To claim the credit, the amount of carbon oxide must be measured at the source of capture and verified either at the point of disposal in secure geological storage or at the point of injection as a tertiary injectant in an enhanced oil or natural gas recovery project. The amount of qualified carbon oxide is presumed to be the lesser of the amount measured at capture and the amount verified at disposal or injection unless it can be established to the satisfaction of the IRS that the greater amount is the correct amount.

## Specific Instructions

**Line 1b.**

Enter \$23.40 on line 1b.

**Line 2b.**

Enter \$11.70 on line 2b.

**Line 3b.**

Enter \$28.74 on line 3b.

**Line 4b.**

Enter \$17.76 on line 4b.

**Line 7.**

Line is reserved for future use.

**Paperwork Reduction Act Notice.** We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated burden for individual and business taxpayers filing this form is approved under OMB control number 1545-0074 and 1545-0123 and is included in the estimates shown in the instructions for their individual and business income tax return. The estimated burden for all other taxpayers who file this form is shown below.

- Recordkeeping** . . . . . 1 hr., 54 min.
- Learning about the law or the form** . . . . . 6 min.
- Preparing and sending the form to the IRS** . . . . . 7 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. See the instructions for the tax return with which this form is filed.