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# Instructions for Form 8933



(Rev. December 2024)

## Carbon Oxide Sequestration Credit

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

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### 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 [IRS.gov/Form8933](https://www.irs.gov/Form8933).

### What's New

**Credit rates and applicable dollar amounts.** The sections 45Q(a)(1) and (a)(2) credit rates for Part III are adjusted for inflation and increased, per Notice 2024-39. The applicable dollar amounts for Part III are established by linear interpolation between statutory dollar amounts and increased, per Notice 2018-93. The new applicable dollar amounts for Part III are established by the Inflation Reduction Act of 2022 (IRA22). See [2024 inflation adjusted credit rates and applicable dollar amounts](#), later.

**Analysis of lifecycle greenhouse gas emissions (LCA).** Notice 2024-60 updated required procedures to claim a section 45Q credit for utilization of carbon oxide. See [Approval of the LCA](#), later.

**New Schedules A through F.** Model certificates have been removed from this 2024 instructions. New schedules are developed as follows.

- Schedule A (Form 8933), Disposal or Enhanced Oil Recovery Owner Certification
- Schedule B (Form 8933), Disposal Operator Certification
- Schedule C (Form 8933), Enhanced Oil Recovery Operator Certification
- Schedule D (Form 8933), Recapture Certification

- Schedule E (Form 8933), Election Certification
- Schedule F (Form 8933), Utilization Certification

### Reminders

**Tax-exempt and governmental entities.** For tax years beginning after 2022, applicable entities (such as certain tax-exempt and governmental entities) can elect to treat the carbon oxide sequestration credit (the credit) for new carbon capture equipment (equipment) as a payment of income tax. See [Applicable entities](#), later.

**Electing taxpayers.** For tax years beginning after 2022, taxpayers, partnerships, and S corporations, electing to be treated as applicable entities, can elect to treat the credit for facility or equipment placed in service after 2022 as a payment of income tax. See [Taxpayers electing to be treated as applicable entities](#), later.

**Credit transfers.** For tax years beginning after 2022, eligible taxpayers, partnerships, and S corporations that don't elect payment can elect to transfer all or part of the credit for new or existing equipment installed at a qualified facility (facility) otherwise allowed as a general business credit to an unrelated third-party buyer in exchange for cash. Eligible taxpayers don't include applicable entities and electing taxpayers discussed earlier. See [Credit transfers](#), later.

**Pre-filing registration.** The IRS has established a pre-filing registration process to elect payment or transfer of the credit. See [Pre-filing registration requirement for payments or transfers](#), later.

**Facility information.** Form 8933 and its instructions separate information and computation of the credit for each facility or equipment installed in a facility. See [Section 1—Facility Information](#), later.

## General Instructions

### Purpose of Form

Use Form 8933 to claim the section 45Q carbon oxide sequestration credit. See [Definitions](#), later.

For 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 facility. Also, see Rev. Proc. 2020-12, 2020-11, I.R.B. 511, for allocation safe harbor. However, if you elect to use the January 2021 Treasury Decision 9944 (TD), the section 761(a) election applies only in the case of qualified carbon oxide captured using equipment that's originally placed in service at a facility before February 9, 2018. For qualified carbon oxide captured using equipment that's originally placed in service at a facility on or after February 9, 2018, for each

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single process train of equipment (as described in Regulations section 1.45Q-2(c)(3)), only one taxpayer will be considered the person to whom the credit is attributable and only that person may claim the credit. See Regulations section 1.45Q-1(h)(1).

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 in Part III of Form 3800, General Business Credit.

## How To Figure the Credit

Subject to the section 45Q(f)(3)(B) election (discussed later), section 45Q(a)(1) allows a credit of \$20 per metric ton of qualified carbon oxide captured by you using equipment that's (1) originally placed in service at a facility before February 9, 2018, (2) disposed of by you in secure geological storage, and (3) not used by you as a tertiary injectant in an enhanced oil recovery (EOR) or natural gas recovery project or utilized by you in a manner described in section 45Q(f)(5).

Section 45Q(a)(2) allows a credit of \$10 per metric ton of qualified carbon oxide (1) captured by you using equipment that's originally placed in service at a facility before February 9, 2018; and (2) either (a) used by you as a tertiary injectant in an EOR or natural gas recovery project and disposed of by you in secure geological storage, or (b) utilized by you 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 you using equipment that's originally placed in service at a facility on or after February 9, 2018, during the 12-year period beginning on the date the equipment was originally placed in service, (2) disposed of by you in secure geological storage, and (3) neither used as a tertiary injectant in an EOR 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 you using equipment that's originally placed in service at a facility on or after February 9, 2018, during the 12-year period beginning on the date the equipment was originally placed in service; and (2) either (a) used by you as a tertiary injectant in an EOR or natural gas recovery project and disposed of by you in secure geological storage, or (b) utilized in a manner described in section 45Q(f)(5).

For purposes of determining the credit, you 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 that's captured by you using equipment that's originally placed in service at a facility on or after February 9, 2018.

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.

**2024 inflation adjusted credit rates and applicable dollar amounts.** If you elect under section 45Q(b)(3) to apply the \$10 and \$20 rates, the credit rates for Part III are increased by the adjustment for inflation. The rates are as follows.

- \$27.75 per metric ton for line 1g.
- \$13.88 per metric ton for lines 2g and 3g.

See Notice 2024-39, 2024-24 I.R.B. 1611, available at [IRS.gov/irb/2024-24\\_IRB#NOT-2024-39](https://www.irs.gov/irb/2024-24_IRB#NOT-2024-39).

For any tax year beginning in a calendar year after 2016 and before 2027, the section 45Q(b)(1)(A) (as in effect before August 16, 2022) applicable dollar amounts for Part III are established by linear interpolation between \$22.66 and \$50, and \$12.83 and \$35, respectively. The applicable dollar amounts for Part III are as follows.

- \$43.92 per metric ton for line 1g.
- \$30.07 per metric ton for lines 2g and 3g.

See Notice 2018-93, 2018-51 I.R.B. 1041, available at [IRS.gov/irb/2018-51\\_IRB#NOT-2018-93](https://www.irs.gov/irb/2018-51_IRB#NOT-2018-93).

For any tax year after 2022, the section 45Q(b)(1)(A) applicable dollar amounts for Part III are as follows.

- \$17 per metric ton for line 1g.
- \$12 per metric ton for lines 2g and 3g.

For any tax year after 2022, the section 45Q(b)(1)(B) applicable dollar amounts for DAC facilities for Part III are as follows.

- \$36 per metric ton for line 1g.
- \$26 per metric ton for lines 2g and 3g.

Facilities or any equipment installed at a facility and placed in service after 2022 that satisfy certain requirements may claim an increased credit amount. See [Increased Credit Amount for Facilities and Equipment](#) and the specific instructions for lines 1g, 2g, and 3g, later.

**Amount captured by additional carbon capture equipment on existing facility.** For a qualified facility placed in service before February 9, 2018, for which additional carbon capture equipment is placed in service on or after February 9, 2018, the amount of qualified carbon oxide that's captured by you is the following.

- For purposes of sections 45Q(a)(1)(A) and (2)(A), 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 February 9, 2018.
- For purposes of sections 45Q(a)(3)(A) and (4)(A), 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 February 9, 2018.

**Applicable entities.** Applicable entities as defined under section 6417(d)(1)(A) that generally don't benefit from income tax credits can elect to treat the credit for a facility or equipment installed in a facility and placed in service after 2022 as a payment of income tax. Resulting overpayments may result in refunds.

Applicable entities making the elective payment election (EPE) for the credit must file the following.

- Form 8933, with all required schedules and statements.
- Form 3800, General Business Credit.

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- Form 990-T, Exempt Organization Business Income Tax Return, or other applicable income tax return.

For a discussion of who is considered an applicable entity, see *Applicable entity making an EPE on IRA 2022 credits* in the Instructions for Form 3800. For more information on EPEs under section 6417, see *Elective Payment of Certain Business Credits Under Section 6417 or Section 48D* in the Instructions for Form 3800.

If you're an applicable entity, your election to treat the credit as a payment generally applies to 2024 and any subsequent year during the 12-year period described in section 45Q(a)(3)(A) or (4)(A) for such equipment. You must obtain an IRS-issued registration number for the equipment in 2024 and each of the succeeding years.

**Taxpayers electing to be treated as applicable entities.** If you aren't an applicable entity, you can also elect to treat the credit as a payment of taxes on your return. Section 6417(d)(1)(C) allows an electing taxpayer, including a partnership and an S corporation under section 6417(c), to treat the credit for a facility or equipment installed in a facility and placed in service after 2022 as a payment or deemed payment of taxes.

For a discussion of who is considered an electing taxpayer, see the Instructions for Form 3800. For more information on EPEs under section 6417, see *Elective Payment of Certain Business Credits Under Section 6417 or Section 48D* in the Instructions for Form 3800.

If you make a section 6417(d)(1)(C) election, the election generally applies to 2024 and the 4 succeeding years (unless you revoke your election).



*If you're a partnership or an S corporation that elected to treat the credit for a new facility or equipment as a payment of taxes, you must report the total credit amount on Form 3800. See the specific instructions for [Line 6](#) of Part III.*

**Credit transfers.** Under section 6418, eligible taxpayers, partnerships, and S corporations can elect to transfer all or part of the credit for a new or existing facility or equipment to an unrelated third-party buyer in exchange for cash. For more information on credit transfers, see *Transfer of Eligible Credits Under Section 6418* in the Instructions for Form 3800.



*If you're a partnership or an S corporation electing to transfer the credit (or portion thereof), you must report the total credit amount on Form 3800. See specific instructions for [Line 6](#) of Part III.*

**Pre-filing registration requirement for payments or transfers.** Before you file your tax return, if you intend to make an EPE or transfer election on Form 3800 for the credit figured in Part III, you must complete a pre-filing registration for each facility. To register, go to [IRS.gov/ Register for elective payment or transfer of credits](https://www.irs.gov/ Register-for-elective-payment-or-transfer-of-credits). See Pub. 5884, Inflation Reduction Act (IRA) and CHIPS Act of 2022 (CHIPS) Pre-Filing Registration Tool. Also see *Registering for and Making Elective Payment and Transfer Elections* in the Instructions for Form 3800.

## Definitions

**Qualified carbon oxide.** This is (a) any carbon dioxide captured from an industrial source by equipment originally

placed in service before February 9, 2018, 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 utilization; (b) any carbon dioxide or other carbon oxide that's captured from an industrial source by equipment originally placed in service on or after February 9, 2018, 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 utilization; or (c) in the case of a DAC facility, any carbon dioxide that's captured directly from the ambient air, and is measured at the source of capture and verified at the point of disposal, injection, or utilization.

Qualified carbon oxide 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 EOR and natural gas recovery process.

**Carbon capture equipment.** This includes all components of property that are used to capture or process carbon oxide until the carbon oxide is transported for disposal, injection, or utilization. Carbon capture equipment is equipment used for the purpose of (1) separating, purifying, drying, and/or capturing carbon oxide that would otherwise be released into the atmosphere from an industrial facility; (2) removing carbon oxide from the atmosphere via DAC; or (3) compressing or otherwise increasing the pressure of carbon oxide.

All components that make up an independently functioning process train capable of capturing, processing, and preparing carbon oxide for transport will be treated as a single unit of equipment (single process train). See Rev. Rul. 2021-13, 2021-30 I.R.B. 152, available at [IRS.gov/irb/2021-30\\_IRB#REV-RUL-2021-13](https://www.irs.gov/irb/2021-30_IRB#REV-RUL-2021-13).

**Applicable electric generating unit.** An applicable electric generating unit is the principal electric generating unit for which the equipment is originally planned and designed.

**Baseline carbon oxide production.** A baseline carbon oxide production means either of the following.

- In the case of an applicable electric generating unit that was originally placed in service more than 1 year prior to the date on which construction of the equipment begins, the average annual carbon oxide production, by mass, from such unit during (i) in the case of an applicable electric generating unit that was originally placed in service more than 1 year prior to the date on which construction of the equipment begins and on or after the date that's 3 years prior to the date on which construction of such equipment begins, the period beginning on the date such unit was placed in service and ending on the date on which construction of such equipment began; and (ii) in the case of an applicable electric generating unit that was originally placed in service more than 3 years prior to the date on which construction of the equipment begins, the 3 years with the highest annual carbon oxide production during the 12-year period preceding the date on which construction of such equipment began.
- In the case of an applicable electric generating unit that (i) as of the date on which construction of the equipment



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begins, is not yet placed in service; or (ii) was placed in service during the 1-year period prior to the date on which construction of the equipment begins, the designed annual carbon oxide production, by mass, as determined based on an assumed capacity factor of 60%.

**Capacity factor.** Capacity factor means the ratio (expressed as a percentage) of the actual electric output from the applicable electric generating unit to the potential electric output from such unit.

**Industrial facility.** An industrial facility is a facility that produces a carbon oxide stream from a fuel combustion source or fuel cell, a manufacturing process, or a fugitive carbon oxide emission source that, absent capture and disposal, would otherwise be released into the atmosphere as industrial emission of greenhouse gas or lead to such release. An industrial facility doesn't include a facility that produces carbon dioxide from carbon dioxide production wells at natural carbon dioxide-bearing formations or a naturally occurring subsurface spring. Depending on your election to use the June 2020 Notice of Proposed Rulemaking (NPRM) or the TD, see section 3.02(b) of Notice 2009-83 or Regulations section 1.45Q-2(d)(1) and (d)(2).

An **Industrial Source** is an emission of carbon oxide from an industrial facility.

A **Manufacturing Process** is a process involving the manufacture of products, other than carbon oxide, that are intended to be sold at a profit, or are used for a commercial purpose. All facts and circumstances for the process and products are to be taken into account.

**Electricity generating facility.** An electricity generating facility is a facility described in section 45Q(d)(2)(A) or (B) and is subject to depreciation under MACRS asset class 49.11 (Electric Utility Hydraulic Production Plant), 49.12 (Electric Utility Nuclear Production Plant), 49.13 (Electric Utility Steam Production Plant), or 49.15 (Electric Utility Combustion Turbine Production Plant).

**Direct air capture (DAC) facility.** A DAC facility means any facility that uses carbon capture equipment to capture carbon oxide directly from the ambient air. It doesn't include any facility that captures carbon dioxide (1) that's deliberately released from naturally occurring subsurface springs, or (2) using natural photosynthesis.

**Facility.** Any industrial facility or DAC facility (a) the construction of which begins before January 1, 2033, 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 the case of a DAC facility, captures not less than 1,000 metric tons of qualified carbon oxide during the tax year;
2. In the case of an electricity generating facility that (i) captures not less than 18,750 metric tons of qualified carbon oxide during the tax year; and (ii) for any carbon capture equipment for the applicable electric generating unit at such facility, has a capture design capacity of not less than 75% of the baseline carbon oxide production of such unit; or

3. In the case of any other facility, captures not less than 12,500 metric tons of qualified carbon oxide during the tax year.

**Qualified EOR or natural gas recovery project.** An EOR 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 for which the first injection of liquids, gases, or other matter begins after 1990.

**Natural gas.** Natural gas means any product (other than crude oil) of an oil or gas well if a deduction for depletion is allowable under section 611 for such product.

**Tertiary injectant.** An injectant (other than a hydrocarbon injectant that's recoverable) that's used as part of a tertiary recovery method. For more details, see section 193(b).

**Secure geological storage.** Secure geological storage includes, but isn't limited to, storage at deep saline formations, oil and gas reservoirs, and unminable coal seams.

If you're claiming a credit for a facility placed in service before February 9, 2018, the following applies.

- 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 Sections 6 through 8 of Notice 2009-83, 2009-44 I.R.B. 588, available at [IRS.gov/irb/2009-44\\_IRB#NOT-2009-83](https://www.irs.gov/irb/2009-44_IRB#NOT-2009-83) for reporting and recordkeeping requirements associated with the limitation on credits available under former section 45Q(a) (as in effect before February 9, 2018) and sections 45Q(a)(1) and (2). Sections 1 through 5 of Notice 2009-83 were obsoleted by REG-112339-19, 85 F.R. 34050-34075. After the end of the calendar year in which the Secretary, in consultation with the Administrator of the EPA, certifies that a total of 75,000,000 metric tons of qualified carbon oxide have been taken into account under former section 45Q(a) (as in effect before February 9, 2018) and sections 45Q(a)(1) and (2), the remaining sections of Notice 2009-83 will be obsoleted. Also see Notice 2022-38, 2022-39 I.R.B. 239, available at [IRS.gov/irb/2022-39\\_IRB#NOT-2022-38](https://www.irs.gov/irb/2022-39_IRB#NOT-2022-38).

If you're claiming a credit for a facility that was placed in service in tax years beginning on or after February 9, 2018, qualified carbon oxide is considered disposed of by you in secure geological storage such that the qualified carbon oxide doesn't escape into the atmosphere if the qualified carbon oxide is:

- Stored, and not used as a tertiary injectant in an EOR or natural gas recovery project, in compliance with applicable requirements under 40 CFR Part 98 subpart RR;

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- Used as a tertiary injectant in an EOR or natural gas recovery project and stored in compliance with applicable requirements under 40 CFR Part 98 subpart RR, or the International Organization for Standardization (ISO) standards endorsed by the American National Standards Institute (ANSI) under CSA/ANSI ISO 27916:19, Carbon dioxide capture, transportation, and geological storage—Carbon dioxide storage using enhanced oil recovery (CO<sub>2</sub>-EOR); and
- Injected into a well that complies with applicable Underground Injection Control regulations onshore or offshore under submerged lands within the territorial jurisdiction of the United States.

**Utilization of qualified carbon oxide.** Utilization of qualified carbon oxide means (1) the fixation of such qualified carbon oxide through photosynthesis or chemosynthesis, such as through the growing of algae or bacteria; (2) the chemical conversion of such qualified carbon oxide to a material or chemical compound in which such qualified carbon oxide is securely stored; or (3) the use of such qualified carbon oxide for any other purpose for which a commercial market exists (with the exception of use as a tertiary injectant in an EOR or natural gas recovery project), as determined by the Secretary of the Treasury or her delegate.

**United States and U.S. territories.** 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. territory) and over which the United States has exclusive rights, in accordance with international law, for the exploration and exploitation of natural resources.

## Who Can Claim the Credit

The credit is attributable to you in the case of qualified carbon oxide captured using equipment that's originally placed in service at a facility on or after February 9, 2018, if you're the person that owns the equipment and physically or contractually ensures the disposal, utilization, or use as a tertiary injectant of this qualified carbon oxide.

## Elections

### Section 45Q(b)(3) Election

You can elect to have the inflation adjusted credit rates instead of the applicable dollar amounts apply to Part III for each metric ton of qualified carbon oxide that's captured by you using equipment that's originally placed in service at a facility on or after February 9, 2018.

### Section 45Q(f)(6) Election

For purposes of section 45Q, for any tax year in which such facility is an applicable facility (a facility placed in service before February 9, 2018, and for which no taxpayer claimed a section 45Q credit for any tax year ending before February 9, 2018) 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 equipment placed in service at the facility, treated as placed in service on February 9, 2018.

You can make a section 45Q(f)(6) election by filing a statement of election with your income tax return for each tax year in which the credit arises. In addition to any information required on Form 8933, your statement of

election must show your name, address, taxpayer identification number, location, and the identification number(s) assigned to the facility by the EPA's electronic Greenhouse Gas Reporting Tool (e-GGRT ID number(s)) (if available).

**Note.** EPA e-GGRT ID number(s) are identification number(s) assigned to the facility by the EPA's electronic Greenhouse Gas Reporting Tool.

### Section 45Q(f)(3)(B) Election

In the case of qualified carbon oxide captured using equipment that's originally placed in service at a facility before February 9, 2018, if you're the person that captures and physically or contractually ensures the disposal, injection, or utilization of the qualified carbon oxide, the credit is attributable to you. You may claim the credit, or you may elect to allow the credit to the person that disposes of, injects, or utilizes the qualified carbon oxide. If you make this election, the amount you elect to allow won't be allowed to you. You can also elect to allow only part of the credit to the person that disposes of, injects, or utilizes the qualified carbon oxide in a tax year, and to claim the remainder yourself.

In the case of qualified carbon oxide captured using equipment that's originally placed in service at a facility on or after February 9, 2018, if you're the person that owns the equipment and physically or contractually ensures the capture and disposal, utilization, or use as a tertiary injectant of such carbon oxide, you may check the box to elect to allow the credit to another person that disposes of, injects, or utilizes the qualified carbon oxide. If you make this election, the amount you elect to allow won't be allowed to you. You can also elect to allow only part of the credit to the person that disposes of, injects, or utilizes the qualified carbon oxide in a tax year, and to claim the remainder yourself.

A new section 45Q(f)(3)(B) election must be made annually. You make a section 45Q(f)(3)(B) election by filing a Schedule E (Form 8933), no later than the time prescribed by law (including extensions) for filing your federal income tax return or Form 1065, U.S. Return of Partnership Income, for the year in which the credit arises. You must make a separate election for each facility.



*The election may not be filed with an amended federal income tax return, an amended Form 1065, or an Administrative Adjustment Request (AAR), as applicable, after the prescribed date (including extensions) for filing the original federal income tax return or Form 1065 for the year, with the exception of amended federal income tax returns, amended Forms 1065, or AARs, as applicable, for any tax year ending after February 9, 2018, and beginning on or before January 13, 2021. The amended federal income tax return or the amended Form 1065 must be filed, in no event, later than the applicable period of limitations on assessment for the tax year for which the amended federal income tax return or Form 1065 is being filed.*

### Information required to be provided by electing taxpayer.

- Election statement of the electing taxpayer on Form 8933 and Schedule E (Form 8933) must indicate that an election is being made under section 45Q(f)(3)(B);

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- The electing taxpayer must provide each credit claimant with a copy of the electing taxpayer's Schedule E (Form 8933); and
- The electing taxpayer must, in addition to any information required on Form 8933 and Schedule E (Form 8933), set forth the following information.

1. The electing taxpayer's name, address, taxpayer identification number, location, and e-GGRT ID number(s) (if available) of each facility where carbon oxide was captured;

2. The full amount of credit attributable to the taxpayer prior to the election;

3. The name, address, and taxpayer identification number of each credit claimant, and the location and EPA e-GGRT ID number(s) (if available) of each secure geological storage facility where the qualified carbon oxide is disposed of or injected;

4. The dollar amount of credits the taxpayer is allowing each credit claimant to claim and the corresponding metric tons of qualified carbon oxide; and

5. The dollar amount of credits retained by the electing taxpayer and the corresponding metric tons of qualified carbon oxide.

#### **Information required to be provided by credit claimant.**

The credit claimant must include the following information on Form 8933 with its timely filed federal income tax return or Form 1065 (including extensions).

- The name, address, and taxpayer identification number of the credit claimant;
- The name, address, and taxpayer identification number of each taxpayer making an election under section 45Q(f)(3)(B) to allow the credit to the credit claimant;
- The location and EPA e-GGRT ID number(s) (if available) of each facility where carbon oxide was captured;
- The location and EPA e-GGRT ID number(s) (if available) of each secure geological storage facility where the qualified carbon oxide is disposed of or injected;
- The full dollar amount of credits attributable to each electing taxpayer prior to the election and the corresponding metric tons of carbon oxide;
- The dollar amount of credits that each electing taxpayer is allowing the credit claimant to claim and the corresponding metric tons of carbon oxide; and
- A copy of the electing taxpayer's Schedule E (Form 8933).

#### **Section 45Q(f)(9) Election**

For purposes of section 45Q(a)(3) and (4), a person described in section 45Q(f)(3)(A)(ii) may elect, at such time and in such manner as the Secretary may prescribe, to have the 12-year period begin on the first day of the first tax year in which a credit under this section is claimed for equipment that's originally placed in service at a facility on or after February 9, 2018, if:

- No one claimed a credit under this section for such equipment for any prior tax year;
- The facility at which such equipment is placed in service is located in an area affected by a federally declared disaster (as defined by section 165(i)(5)(A)) after the equipment is originally placed in service; and

- Such federally declared disaster results in a cessation of the operation of the facility or the equipment after such equipment is originally placed in service.

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

In the case of any equipment placed in service before February 9, 2018, 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 75,000,000 metric tons of qualified carbon oxide have been taken into account in accordance with section 45Q(a), as in effect on the day before February 9, 2018, and section 45Q(a)(1) and (2).

Effective August 16, 2022, in the case of any equipment placed in service before February 9, 2018, the credit will apply to qualified carbon oxide captured using such equipment before the earlier of January 1, 2023, and 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 75,000,000 metric tons of qualified carbon oxide have been taken into account in accordance with section 45Q(a), as in effect on the day before February 9, 2018, and section 45Q(a)(1) and (2). See section 45Q(g) as amended by IRA22 and Notice 2022-38.

### **When Construction Begins**

Two methods can be used to establish that construction of a facility or equipment has begun.

1. **Physical Work Test** is satisfied when physical work of a significant nature begins and other requirements provided in Section 5 of Notice 2020-12, 2020-11 I.R.B. 495, available at [IRS.gov/irb/2020-11\\_IRB#NOT-2020-12](https://www.irs.gov/irb/2020-11_IRB#NOT-2020-12), are met.

2. **Five Percent Safe Harbor** is satisfied when you pay or incur (within the meaning of Regulations section 1.461-1(a)(1) and (2)) 5% or more of the total cost of a facility or equipment and meets other requirements provided in Notice 2020-12, Section 6.

Although both methods can be used, only one method is needed to establish that construction of a facility or equipment has begun. If you began construction on a facility or equipment by satisfying either the Physical Work Test or the Five Percent Safe Harbor, or both, before the effective date of Notice 2020-12 (March 9, 2020), you may use March 9, 2020, as the date that construction began on such facility or equipment. Additionally, if you began construction on a facility or equipment before March 9, 2020, under both the Physical Work Test and the Five Percent Safe Harbor, you may choose either method (but not both) for the purpose of applying the beginning of construction rules. If you began construction on a facility or equipment on or after March 9, 2020, construction will be deemed to have begun on the date you first satisfy either the Physical Work Test or the Five Percent Safe Harbor. If you fail to satisfy the Five Percent Safe Harbor in 1 year due to cost overruns (as defined in Section 6.03 of Notice 2020-12), you won't be prevented from using the Physical Work Test in a later year to establish beginning of construction, provided that occurs before January 1, 2033.



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## Increased Credit Amount for Facilities and Equipment

Notice 2022-61 explains how claimants, including taxpayers, tax-exempt and government entities, and non-taxable pass-through entities, receive increased credit amount for any facility or equipment placed in service after 2022, by satisfying certain requirements. In the case of any facility or equipment installed in any facility, the amount of the credit rates as adjusted for inflation or applicable dollar amounts are multiplied by 5 if any one of the following requirements are met.

- A facility the construction of which began prior to January 29, 2023;
- Carbon equipment the construction of which began prior to January 29, 2023, and installed in a facility; or
- A facility or equipment that satisfies the prevailing wage and apprenticeship requirements.

**Additional information.** If you answered “Yes” on Part I, line 33, and claimed an increased credit amount on Part III, line 1i, 2i, or 3i, you must attach a statement to Form 8933 that includes the following information.

1. Your name and taxpayer identification number and the facility or equipment description and IRS-issued registration number (if applicable) from Part I.
2. If construction began before January 29, 2023, as shown on Part I, line 5, a statement that you met the Continuity Requirement under the Physical Work Test or the Five Percent Safe Harbor to establish the beginning of construction (alteration or repairs).
3. If construction began on or after January 29, 2023, include the following.
  - a. The applicable wage determinations (as defined later).
  - b. The wages paid (including any correction payments as defined in section 45(b)(7)(B)(i)(I)) and hours worked for each of the laborer or mechanic classifications engaged in the construction (alteration or repairs) of the facility or equipment.
  - c. The number of workers who received correction payments.
  - d. The wages paid and hours worked by qualified apprentices for each of the laborer or mechanic classifications engaged in the construction (alteration or repairs) of the facility or equipment.
  - e. The total labor hours for the construction (alteration or repairs) of the facility or equipment installed at a facility by any laborer or mechanic employed by the taxpayer or any contractor or subcontractor.
4. A declaration, applicable to the statement and any accompanying documents, signed by you, or signed by a person currently authorized to bind you in such matters, in the following form: “Under penalties of perjury, I declare that I have examined this statement, including accompanying documents, and to the best of my knowledge and belief, the facts presented in support of this statement are true, correct, and complete.”

**Applicable wage determinations** mean the wage listed for a particular classification of laborer or mechanic on the applicable wage determination for the type of construction and the geographic area or other applicable

wage as determined by the Secretary of Labor. See Notice 2022-61 for more information.

## Prevailing Wage Requirements

For any facility and any equipment placed in service at such facility, you must ensure that any laborers and mechanics employed by you or any contractor or subcontractor in (i) the construction of such facility or equipment, and (ii) for any tax year, for any portion of such tax year that’s within the period described in section 45Q(a)(3)(A) or (4)(A), the alteration or repair of such facility or such equipment, must be paid wages at rates not less than the prevailing rates for construction, alteration, or repair of a similar character in the locality in which such facility and equipment are located as most recently determined by the Secretary of Labor, in accordance with subchapter IV of chapter 31 of title 40, United States Code. See Notice 2022-61 for details.

For information on how to correct a failure to satisfy the prevailing wage requirements, and the penalty related to the failure, see section 45(b)(7)(B), Notice 2022-61, and the Instructions for Form 4255, Certain Credit Recapture, Excessive Payments, and Penalties.

## Apprenticeship Requirements

To meet the apprenticeship requirements, you must ensure that, for the construction of any qualified facility, not less than the applicable percentage of the total labor hours of the construction, alteration, or repair work (including such work performed by any contractor or subcontractor) for such facility is, subject to section 45(b)(8)(B), performed by qualified apprentices (apprenticeship labor hour requirements). The apprenticeship requirements include three components: a labor-hours requirement, a ratio requirement, and a participation requirement.

- You must ensure that 15% of the total labor-hours performed in the construction, alteration, or repair of the facility are performed by qualified apprentices from a registered apprenticeship program.
- You must ensure that the applicable ratio of apprentices to journeymen established by the registered apprenticeship program are met for apprentices working on the facility each day.
- Any taxpayer (or contractor or subcontractor) that employs four or more laborers or mechanics in the construction, alteration, or repair of the facility must also hire at least one qualified apprentice.

For information on the penalty related to the failure to satisfy the apprenticeship requirements, see section 45(b)(8)(D) and the Instructions for Form 4255.

**Beginning of construction.** See Sections 2 and 5 of Notice 2022-61 and [When Construction Begins](#), earlier, to establish whether construction of a facility or equipment at a facility began before January 29, 2023.

## Recapture

A recapture event occurs when qualified carbon oxide for which a credit has been claimed ceases to be captured, disposed of, or used as a tertiary injectant during the recapture period. Recapture events are determined separately for each project involving capture, disposal, or use of qualified carbon oxide as a tertiary injectant.

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Qualified carbon oxide ceases to be captured, disposed of, or used as a tertiary injectant if the leaked amount of qualified carbon oxide in the tax year exceeds the amount of qualified carbon oxide disposed of in secure geological storage or used as a tertiary injectant in that same tax year.

If a recapture event occurs during a project's recapture period and you have claimed a credit for that project, you must report the following information on a Schedule D (Form 8933), Recapture Certification, filed with your federal income tax return or Form 1065 for the tax year for which the recapture event occurred.

- The recapture amount (as defined in Regulations section 1.45Q-5(e));
- The quantity of leaked qualified carbon oxide (in metric tons) (as defined in Regulations section 1.45Q-5(c));
- The statutory credit rate at which the credits were originally calculated; and
- A statement that describes how you became aware of the recapture event, how the leaked amount was determined, and the identity and involvement of any regulatory agencies.

## Credit Reduced for Tax-Exempt Bond Financing

For facilities or equipment placed in service after 2022, the credit is reduced by an amount that is the product of the credit amount otherwise determined for the tax year and the lesser of 15% or a fraction determined for the tax year. The numerator of the fraction is the sum, for the tax year and all prior tax years, of the proceeds from an issue of any obligations the interest on which is exempt from tax under section 103 and that is used to provide financing for the facility as of the close of the tax year. The denominator of the fraction is the aggregate amount of additions to the capital account for the facility for the tax year and all prior tax years as of the close of the tax year.

## Coordination With Section 142 Bond Financing

For facilities or equipment placed in service before 2023 and obligations issued after 2021, the credit for any project for any tax year is reduced by the amount that's the product of the credit for such tax year and the lesser of 50% or a fraction, the numerator of which is the sum, for the tax year and all prior tax years, of the proceeds from an issue described in section 142(a)(17) used to provide financing for the project the interest on which is exempt from tax under section 103, and the denominator of which is the aggregate amount of additions to the capital account for the project for the tax year and all prior tax years. The amounts under the preceding sentence for any tax year are determined as of the close of the tax year.

**Note.** For purposes of the above, there are no prior tax years before January 1, 2022.

## Reporting Requirements

### General Requirements

If you're claiming the credit, you must provide the name and location of the facilities at which the qualified carbon oxide was captured.



**CAUTION** If you're claiming the credit on an amended federal income tax return, an amended Form 1065, or an AAR, as applicable, you must state "AMENDED RETURN FOR SECTION 45Q CREDIT" at the top of your amended federal income tax return, amended Form 1065, or AAR, as applicable. Your amended federal income tax return or the amended Form 1065 must be filed, in no event, later than the applicable period of limitations on assessment for the tax year for which your amended federal income tax return or Form 1065 is being filed.

## Contractually Ensuring Disposal, Injection, or Utilization of Qualified Carbon Oxide

If you enter into a contract with another party to ensure disposal, injection, or utilization of qualified carbon oxide, you must report the existence of each contract, and the parties involved annually on Form 8933 by each party to the contract, regardless of the party claiming the credit. In addition to any information stated as required on Form 8933 and the applicable Schedules A through F (Form 8933), the report must include the following information.

- Your name and identifying number;
- The name and taxpayer identification number of each party with whom you have entered into a contract to ensure the disposal, injection, or utilization of qualified carbon oxide;
- The date on which each contract was executed;
- The number of metric tons of qualified carbon oxide each contracting party disposes of, injects, or utilizes on behalf of you each tax year for reporting to the IRS; and
- For contracts for the disposal of qualified carbon oxide in secure geological storage or the use of qualified carbon oxide as a tertiary injectant in EOR or natural gas recovery, identifying information (the name of the operator, field, unit, and reservoir), location by county and state, and EPA e-GGRT ID number(s) (if available) for submission of the facility's 40 CFR Part 98 (subpart RR) annual reports.

## Secure Geological Storage

Certifications must be made annually.

## Reporting Based on 40 CFR Part 98 (Subpart RR)

For an EOR or natural gas recovery project in which you reported volumes to the EPA pursuant to 40 CFR Part 98 subpart RR, you may self-certify the volume of carbon oxide claimed for purposes of the credit.

## Reporting Based on CSA/ANSI ISO 27916:19

For an EOR or natural gas recovery project in which you determined volumes pursuant to CSA/ANSI ISO 27916:19, you may prepare documentation as outlined in CSA/ANSI ISO 27916:19 internally, but such documentation must be provided to a qualified independent engineer or geologist, who then must certify that the documentation provided, including the mass balance calculations as well as information regarding monitoring and containment assurance, is accurate and complete. For any leaked amount of qualified carbon oxide that's determined pursuant to CSA/ANSI ISO 27916:19, the certification must also include a statement



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that the quantity was determined in accordance with sound engineering principles.

If you capture qualified carbon oxide to get the credit, you must file Form 8933 with your timely filed federal income tax return or Form 1065, including extensions, or for the purpose of this rule, your amendments to federal income tax returns, Forms 1065, or on AARs, as applicable. Similarly, if you dispose of, inject, or utilize qualified carbon oxide, you must also file Form 8933 with your timely filed federal income tax return or Form 1065, including extensions, or for the purpose of this rule, your amendments to federal income tax returns, Forms 1065, or on AARs, as applicable. If the volume of carbon oxide certified and reported is a negative amount, see Regulations section 1.45Q-5 for rules regarding recapture.



*No credit is allowed for any tax year for which you (including credit claimants) have failed to timely submit complete documentation, including the required certifications. The credit will be allowed only for a tax year for which complete documentation and certification has been timely submitted. Certifications for each tax year must be submitted by the due date of your federal income tax return or Form 1065 on which the credit is claimed, including extensions. If your credit is claimed on your amended federal income tax return, amended Form 1065, or AAR, as applicable, certifications may also be submitted with your amended federal income tax return, amended Form 1065, or AAR. If a credit was claimed on your timely filed federal income tax return or Form 1065 for a tax year ending after February 9, 2018, and beginning on or before January 13, 2021, for which certifications weren't submitted, such certifications may be submitted with your amended federal income tax return, amended Form 1065, or AAR, as applicable, for the tax year in which the credit was claimed.*

### Qualified EOR or Natural Gas Recovery Project

Each qualified EOR or natural gas recovery project must be certified under Regulations section 1.43-3.

For purposes of a natural gas project, a petroleum engineer's certification as required under Regulations section 1.43-3(a)(3) and an operator's continued certification of a project as required under Regulations section 1.43-3(b)(3) must include an additional statement that the certification is for purposes of the credit.

### Petroleum Engineer's Certification

The petroleum engineer's certification must be attached to a Form 8933 and filed no later than the last date prescribed by law (including extensions) for filing the operator's or designated owner's federal income tax return or Form 1065 for the first tax year in which qualified carbon oxide is injected into the reservoir.



*If a credit is claimed on an amended federal income tax return, an amended Form 1065, or an AAR, as applicable, the petroleum engineer's certification will be treated as filed timely if it's attached to a Form 8933 that's submitted with such amended federal income tax return, amended Form 1065, or AAR. For a credit that's claimed on a timely filed federal income tax return or Form 1065 for a tax year ending after February 9,*

*2018, and beginning on or before January 13, 2021, for which the petroleum engineer's certification wasn't submitted, the petroleum engineer's certification will be treated as filed timely if it's attached to an amended Form 8933 for any tax year ending after February 9, 2018, but not for tax years beginning on or before January 13, 2021.*

### Operator's Continued Certification

The operator's continued certification of a project must be attached to a Form 8933 and filed no later than the last date prescribed by law (including extensions) for filing the operator's or designated owner's federal income tax return or Form 1065 for tax years after the tax year for which the petroleum engineer's certification is filed but not after the tax year in which injection activity ceases and all injection wells are plugged and abandoned.

### Utilization

The amount of qualified carbon oxide utilized by you is equal to the metric tons of qualified carbon oxide that you demonstrate, based upon the LCA, that were captured and permanently isolated from the atmosphere (isolated), or displaced from being emitted into the atmosphere (displaced).

**Lifecycle greenhouse gas emissions and lifecycle analysis.** The term "lifecycle greenhouse gas emissions" means the aggregate quantity of greenhouse gas emissions (including direct emissions and significant indirect emissions such as significant emissions from land use changes) related to the full product lifecycle, including all stages of product and feedstock production and distribution, from feedstock generation or extraction through the distribution and delivery and use of the finished product to the ultimate consumer, where the mass values for all greenhouse gases are adjusted to account for their relative global warming potential according to Table A-1 of 40 CFR Part 98 subpart A. The amount of lifecycle greenhouse gas emissions measured by a LCA is expressed in carbon dioxide equivalents (CO<sub>2</sub>-e).

**Measurement.** The measurement and written LCA report must be performed by or verified by an independent third party. The LCA report must be prepared in conformance with, and contain documentation that conforms to, the *International Organization for Standardization (ISO) 14040:2006, Environmental Management—Life Cycle Assessment—Principles and Framework*, and *ISO 14044:2006, Environmental Management—Life Cycle Assessment—Requirements and Guidelines*, as well as a statement documenting the qualifications of the independent third party, including proof of appropriate U.S. or foreign professional license, and an affidavit from the third party stating that it's independent from you.

**Approval of the LCA.** You must submit the written LCA report and independent third-party statement to the IRS and the Department of Energy (DOE). The LCA will be subject to a technical review by the DOE, and the IRS will determine whether to approve the LCA.

You should fax a copy of your LCA report, including the independent third-party statement specified in Regulations section 1.45Q-4(c)(4), to the IRS at

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844-255-4817. The submission should include a cover letter with:

1. Name and location of the facility where the qualified carbon oxide is utilized (“utilization facility”);
2. Name of the taxpayer(s) claiming the credit based on the LCA, including each taxpayer’s TIN/EIN;
3. Name of the operator of the utilization facility, including operator’s TIN/EIN;
4. Tax year for which the LCA report is being submitted;
5. Name, relationship to the taxpayer, mailing address, email address, and phone number of a person whom the IRS can contact regarding the LCA report. If this person is not an employee of the taxpayer, attach Form 2848, Power of Attorney and Declaration of Representative, to the LCA report;
6. An attestation that the applicable requirements of section 45Q, Regulations sections 1.45Q-1, 1.45Q-2, and 1.45Q-4 are satisfied. Such attestation must include confirmation of the following.
  - a. The carbon oxide for which the section 45Q utilization credit is being claimed is qualified carbon oxide within the meaning of section 45Q(c);
  - b. The qualified carbon oxide for which the section 45Q utilization credit is being claimed is captured by a qualified facility within the meaning of section 45Q(d);
  - c. The qualified carbon oxide for which the section 45Q utilization credit is being claimed was captured in the United States (within the meaning of section 638(1)), or a U.S. territory set forth in section 638(2));
  - d. In the case of a resubmission of an LCA approval request under Section 6.02 of Notice 2024-60, that there has been no material change since the prior LCA was approved; and
7. A declaration, applicable to the LCA approval request (including the LCA and the cover page information required by Section 3.04 of Notice 2024-60), signed by you, or signed by a person currently authorized to bind you in these matters, in the following form: “Under penalties of perjury, I declare that I have examined the information contained in this affirmative statement and the documents that substantiate this affirmative statement, and to the best of my knowledge and belief, it is true, correct, and complete.”

You should also send the DOE an email at [LCA45Q@hq.doe.gov](mailto:LCA45Q@hq.doe.gov), and the DOE will respond with instructions for submitting the LCA application to the DOE.

See Notice 2024-60, 2024-34 I.R.B. 515, available at [IRS.gov/irb/2024-34\\_IRB#NOT-2024-60](https://www.irs.gov/irb/2024-34_IRB#NOT-2024-60) for details.



**You must receive approval of your LCA prior to claiming the section 45Q utilization credit on any federal income tax return.**

**Requirements for reapproval of an approved LCA.** You may treat an approved LCA as approved for the tax year for which the LCA report was submitted and the following 2 tax years (3-year approval period). You must submit a new LCA approval request to the IRS and the DOE after 3 years. See Notice 2024-60.

## Specific Instructions

To claim the credit for disposal of carbon oxide in secure geological storage or for use of carbon oxide as a tertiary injectant in an EOR or natural gas recovery project, prior to disposal in secure geological sequestration, 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 EOR 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.

To claim the credit for utilization of carbon oxide, the amount of qualified carbon oxide utilized by you is equal to the metric tons of qualified carbon oxide that you demonstrate, based upon the LCA, were (1) captured and permanently isolated from the atmosphere, or (2) displaced from being emitted into the atmosphere. The amount of qualified carbon oxide utilized by you for purposes of the credit can't exceed the amount of qualified carbon oxide measured at the source of capture.

### Part I. Information About Facility, Carbon Capture Equipment, DAC Facility, Carbon Oxide Sequestration Types, Credit Calculation, and Your Elections

If you're claiming the credit for a facility or equipment in Part III, you must complete Part I.

#### Section 1—Facility Information

**Line 1.** If making an EPE or transfer election, enter your pre-filing registration number for the facility that you received from the IRS.

**Line 3.** Enter the type and technical description of the facility or equipment that captured carbon oxide, disposed of carbon oxide, or used carbon oxide as a tertiary injectant.

**Line 4a.** If different than filer, enter owner's name and TIN.

**Lines 4b and 4c.** Enter the address of the facility. If the facility doesn't have an address, enter the coordinates of the facility or property (longitude and latitude).

**Line 5.** Enter the date construction began. See [Beginning of construction](#), earlier, for more information.

#### Section 2—Industrial Facility Information

You must also provide information about specific industrial facility and equipment in Section 2.

#### Section 3—Carbon Capture Equipment and DAC Facility Information

You must also provide information about specific equipment and DAC facility in Section 3.

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## Section 4—Information About Carbon Oxide Sequestration Credit and Your Elections

**Line 28a.** If you answered “Yes” to line 28, determine the credit (1) using \$27.75 on Part III, line 1g, for qualified carbon oxide captured, 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); (2) using \$13.88 on Part III, line 2g or 3g for qualified carbon oxide captured, disposed of in secure geological storage, used as a tertiary injectant in a qualified enhanced oil or natural gas recovery project, or utilized as described in section 45Q(f)(5). See [2024 inflation adjusted credit rates and applicable dollar amounts](#), earlier.

**Line 28b.** If you answered “No” to line 28 and your carbon capture facility and equipment were placed in service before 2023, determine the credit (1) using \$43.92 on Part III, line 1g, for qualified carbon oxide captured, 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); (2) using \$30.07 on Part III, line 2g or 3g for qualified carbon oxide captured, disposed of in secure geological storage, used as a tertiary injectant in a qualified enhanced oil or natural gas recovery project, or utilized as described in section 45Q(f)(5). See [2024 inflation adjusted credit rates and applicable dollar amounts](#), earlier.

**Line 28c.** If you answered “No” to line 28 and your carbon capture facility and equipment were placed in service after 2023, determine the credit (1) using \$17 on Part III, line 1g, for qualified carbon oxide captured, 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); (2) using \$12 on Part III, line 2g or 3g for qualified carbon oxide captured, disposed of in secure geological storage, used as a tertiary injectant in a qualified enhanced oil or natural gas recovery project, or utilized as described in section 45Q(f)(5). For DAC facility, determine the credit (3) using \$36 on Part III, line 1g, for qualified carbon oxide captured, 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); (4) using \$26 on Part III, line 2g or 3g for qualified carbon oxide captured, disposed of in secure geological storage, used as a tertiary injectant in a qualified enhanced oil or natural gas recovery project, or utilized as described in section 45Q(f)(5). See [2024 inflation adjusted credit rates and applicable dollar amounts](#), earlier.

## Part II. Information About You

**Line 1.** See [Lifecycle greenhouse gas emissions and lifecycle analysis](#), earlier.

**Line 2.** See [Qualified carbon oxide](#), earlier.

**Lines 4 and 5.** See [Section 45Q\(f\)\(3\)\(B\) Election](#), earlier.

**Line 6.** See [Section 45Q\(b\)\(3\) Election](#), earlier.

**Line 7.** See [Section 45Q\(f\)\(6\) Election](#), earlier.

**Line 8.** See [Section 45Q\(f\)\(9\) Election](#), earlier.

## Part III. Credit Calculations

### Line 1

Qualified carbon oxide captured using carbon capture equipment or DAC facility, 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).

**Line 1e.** Enter the number of metric tons captured and securely stored (physically disposed) by another person and for which you allow that person to claim the resulting carbon oxide sequestration credit. See [Section 45Q\(f\)\(3\)\(B\) Election](#) and instructions for attaching Schedule E (Form 8933) for each disposal site.

**Line 1g.** Enter the applicable inflation adjusted credit rate or applicable dollar amount. See [2024 inflation adjusted credit rates and applicable dollar amounts](#), earlier.

**Line 1i.** See [Increased Credit Amount for Facilities and Equipment](#), earlier.

### Line 2

Qualified carbon oxide captured using carbon capture equipment or DAC facility, used as a tertiary injectant in a qualified enhanced oil or natural gas recovery project, and disposed of in secure geological storage.

**Line 2e.** Enter the number of metric tons captured and injected by another person and for which you allow that person to claim the resulting carbon oxide sequestration credit. See [Section 45Q\(f\)\(3\)\(B\) Election](#) and instructions for attaching Schedule E (Form 8933) for each recovery project.

**Line 2g.** Enter the applicable inflation adjusted credit rate or applicable dollar amount. See [2024 inflation adjusted credit rates and applicable dollar amounts](#), earlier.

**Line 2i.** See [Increased Credit Amount for Facilities and Equipment](#), earlier.

### Line 3

Qualified carbon oxide captured using carbon capture equipment or DAC facility, and utilized as described in section 45Q(f)(5).

**Line 3e.** Enter the number of metric tons captured and physically utilized by another person and for which you allow that person to claim the resulting carbon oxide sequestration credit (expressed as carbon dioxide equivalents that were determined pursuant to an approved LCA). See [Section 45Q\(f\)\(3\)\(B\) Election](#) and instructions for attaching Schedule E (Form 8933) for each utilization facility.

**Line 3g.** Enter the applicable inflation adjusted credit rate or applicable dollar amount. See [2024 inflation adjusted credit rates and applicable dollar amounts](#), earlier.

**Line 3i.** See [Increased Credit Amount for Facilities and Equipment](#), earlier.

### Line 4e

Subtract line 4d from the total credit reported to you on Schedule E (Form 8933), Part II, line 6; enter amount on line 4e.



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Attach Schedule A (Form 8933), Schedule E (Form 8933), and Schedule F (Form 8933).



**Complete Schedule E (Form 8933) if you elect under section 45Q(f)(3)(B) to allow another person to claim your credit. See [Schedule E \(Form 8933\), Election Certification](#), later.**

### Line 5

Enter the total credits on a separate Form 8933 to report your distributive or pro rata share from:

- Schedule K-1 (Form 1065), Partner's Share of Income, Deductions, Credits, etc., box 15 (code AW); and
- Schedule K-1 (Form 1120-S), Shareholder's Share of Income, Deductions, Credits, etc., box 13 (code AW).

Enter "Credit from partnerships and S corporations" on Form 8933, Part I, line 3. All others not using earlier lines to figure a separate credit can report the above credits directly on Form 3800, Part III, line 1x.

### Line 6

If you're a partnership or an S corporation electing payment or transfer for the credit for a facility or equipment, you must report the total credit amount for your facility or equipment on Form 3800, Part III, line 1x. Don't report the total credit amount on Schedule K.

### Line 7

Enter the credit recaptured. Attach Schedule D (Form 8933) to Form 8933. Report the credit recapture amount in Form 4255, Part I, line 2a, column (h).

## Instructions for Schedules A Through F (Form 8933)

Per the TD and the NPRM that preceded it, if you're a large section 45Q project filer, you'll likely have to use multiple legal contracts with multiple parties for the capture, utilization, or disposal of carbon oxides and, generally to claim the credit, the existence of each contract and the parties involved must be reported on Form 8933 annually. For this reporting, filers should also use the applicable Schedules A, B, C, D, E, and F shown below.

**Disposal or Enhanced Oil Recovery Owner Certification.** Use Schedule A (Form 8933) if you're the owner (or one of the owners) of the geological disposal site or the EOR project at which captured qualified carbon oxide was

injected during the year. The operator of the disposal site prepares Schedule B (Form 8933). The operator of the EOR project prepares Schedule C (Form 8933). Report the amounts from either Schedule B (Form 8933), line 10, or Schedule C (Form 8933), line 20, on the applicable lines of Schedule A (Form 8933).

**Disposal Operator Certification.** Use Schedule B (Form 8933) if you're the operator (or designated operator) of a geological disposal site at which captured qualified carbon oxide was injected during the year. Don't use this schedule if carbon oxide was injected for enhanced oil or natural gas recovery. Provide a copy of your Schedule B (Form 8933) to each owner of the disposal site project.

**Enhanced Oil Recovery Operator Certification.** Use Schedule C (Form 8933) if you're the operator (or designated operator) of an enhanced oil or gas recovery project (EOR project) at which captured qualified carbon oxide was injected during the year. Provide a copy of your Schedule C (Form 8933) to each owner of the EOR project.

**Recapture Certification.** Use Schedule D (Form 8933) if you're the operator or owner of the geological disposal site or EOR project to report a recapture event. After you figured the recapture amount using Schedule D (Form 8933), enter the amount on Form 8933, Part III, line 7; and in Form 4255, Part I, line 2a, column (h). Complete Form 4255, Certain Credit Recapture, Excessive Payments, and Penalties, to determine the amount from Form 4255 that will be reported on your tax return. See the Instructions for Form 4255 for details.

**Election Certification.** Use Schedule E (Form 8933) if (1) you're the owner of the capture facility that supplied qualified carbon oxide to another person that was properly disposed of in geological storage, used in an EOR project, or utilized in a manner consistent with section 45Q(f), and (2) you elect under section 45Q(f)(3)(B) to allow the credit to that person. You must make a separate election for each facility.

**Utilization Certification.** Use Schedule F (Form 8933) if you're the owner of the utilization facility who utilized qualified carbon oxide during the year. Don't combine information from separate utilization facilities on the same schedule. Provide a copy of your Schedule F (Form 8933) to each supplier that supplied qualified captured carbon oxide to inform the suppliers of the amount of their qualified carbon oxide that was utilized.

**Paperwork Reduction Act Notice.** We ask for you to obtain the information on this form to carry out the Internal Revenue laws of the United States. You are required to obtain this information.

You are not required to obtain 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 Internal Revenue Code section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated burden for individual filers is approved under OMB control number 1545-0074; for business filers, it is approved under OMB control number 1545-0123; and for trust filers, it is approved under OMB control number 1545-0092. For the estimated averages, see the instructions for your income tax return.

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.