Kilpatrick

Insights: Publications

Tax Credit Incentives for Carbon Sequestration: Potentially the Most Impactful U.S. Policy to Battle Climate Change

Bloomberg Tax

May 3, 2021

Written by **John F. Pierce**

The Bipartisan Budget Act of 20181 expanded the §45Q2 tax credit, the most important federal incentive for encouraging private investment in the development and use of carbon capture technologies and facilities. Tax credits for the capture and long-term, permanent storage of carbon oxides generate a competitive financial return and have a positive environmental impact on the world. In addition, reducing CO2 emissions mitigates climate change and help keep the increase in global average temperature to well below 2°C above pre-industrial levels. Keeping global average temperature below 2°C above preindustrial levels is a fundamental goal of the Paris Climate Agreement, the highest priority environmental, social, and governance (ESG) issue facing investors.

Related People

John F. Pierce

t 206.626.7726

jfpierce@ktslaw.com