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KPMG report: Proposed regulations on carbon oxide sequestration credit, clarification provided

Recently issued proposed regulations for the carbon oxide—i.e., carbon monoxide and carbon dioxide—sequestration credit provide certainty for developers and investors on credit eligibility requirements.

In particular, the proposed regulations provide helpful guardrails with respect to tax credit recapture and clarify that enhanced oil recovery operators do not need to comply with existing U.S. Environmental Protection Agency regulations on secure geological storage—referred to as “Subpart RR”—in order for the activity to be credit eligible.

The clarifications provided by the proposed regulations, if finalized, may unlock investment in carbon capture and sequestration technologies.

Read a [June 2020 report](#) [PDF 101 KB] prepared by KPMG LLP: *What’s News in Tax: IRS Issues Proposed Regulations on Carbon Oxide Sequestration Credit and Provides Clarification*

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