

# green scissors

Cutting Wasteful and Environmentally Harmful Spending

June 21, 2016

**RE: 45Q tax extension in the FAA bill**

Dear Chairman Hatch and Ranking Member Wyden:

The Green Scissors coalition opposes any efforts to expand or extend tax credits for carbon capture and sequestration (CCS). As a coalition of free-market, taxpayer and environmental groups dedicated to eliminating wasteful and environmentally harmful government spending, we are compelled to highlight the fiscal and environmental damage of further CCS subsidies. These handouts should find no place in the Federal Aviation Administration (FAA) reauthorization or any future legislation.

After more than a decade of federal subsidies, CCS is a failed investment of our tax dollars and a failed attempt to limit the carbon emissions from burning coal. Despite billions in research funding, grants and tax incentives, the government's CCS endeavor is a graveyard of defunct facilities, including FutureGen 2.0, Hydrogen Energy California and, perhaps very soon, the Texas Clean Energy Project.

As the Senate Finance Committee prepares an FAA reauthorization bill, we urge you to exclude any extension or expansion of the per-ton tax credit for capturing CO<sub>2</sub>. Current policy allows a tax credit worth \$20 per-metric-ton of carbon dioxide that is captured, instead of released into the atmosphere, and disposed of in secure geological storage and \$10 per-metric-ton that is used for oil extraction. This policy is designed to expire after credits for 75 million tons of carbon dioxide have been issued. However, under the amendment previously offered by Sen. Heidi Heitkamp the credit for new facilities would be increased to \$30 per-metric-ton for all carbon captured.

Over the next decade, the current version of the CCS tax credit is expected to cost \$530 million. Expanding it is neither a solution to climate change nor a responsible use of our tax dollars.

As the July 15 deadline for FAA reauthorization approaches, we urge you to choose a path of fiscal and environmental responsibility by excluding CCS from the broader package.

Respectfully,

The Green Scissors coalition

Friends of the Earth  
Taxpayers for Common Sense  
The R Street Institute