



TaxNewsFlash

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Notice 2024-60: Required procedures to claim section 45Q credit for sequestration of carbon oxide

The IRS today released [Notice 2024-60](#) providing guidance on the credit for the sequestration of carbon oxide under section 45Q.

A related IRS release—[IR-2024-194](#)—explains that Notice 2024-60 describes information that must be included in a written report known as the lifecycle analysis (LCA) report and provides the procedures a taxpayer must follow to submit the report (along with required supporting information) to the IRS and the Department of Energy for review. The IRS must approve the taxpayer's LCA before the taxpayer may claim the section 45Q credit.

Congress enacted the credit for the sequestration of carbon dioxide under section 45Q in the Energy Improvement and Extension Act of 2008, and amended section 45Q several times, thereafter, including under the Bipartisan Budget Act of 2018 and the Inflation Reduction Act of 2022 (IRA). Notice 2024-60 states that the Treasury Department and IRS anticipate issuing proposed regulations to update Treas. Reg. §§ 1.45Q-1 through 1.45Q-4 for amendments made by the IRA, as well as to adopt certain aspects of the guidance provided by the notice.

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