

FACTSHEET – Carbon Dioxide Removal

Country Report: United States of America

The United States follows a predominantly incentive-based and decentralized approach to carbon management. Federal policy strongly supports carbon capture, transport, storage, and carbon dioxide removal through tax credits, public funding, and procurement, while comprehensive binding regulation remains limited. The regulatory framework is therefore shaped less by an overarching federal climate law than by sector-specific rules, agency programs, and significant variation at state level. Recent political changes have increased uncertainty around the long-term direction of federal climate policy, even though key support mechanisms for carbon management remain in place.



Legal Framework & Targets

The United States lacks a comprehensive, binding federal framework for carbon management and operates without national net-zero compliance mandates. Following the U.S. Environmental Protection Agencies (EPA) February 2026 repeal of the 2009 Greenhouse Gas Endangerment Finding, federal climate regulation has been systematically dismantled, cementing a purely voluntary, market-driven approach.¹ While strategic targets exist at the agency level - such as the Department

of Energy's (DOE) „Carbon Negative Shot“ aiming for gigaton-scale removal and less than \$100/net metric ton cost - statutory governance is heavily decentralized.² In the absence of federal compliance laws, regulatory architecture is fragmented across individual states, resulting in a patchwork of divergent state-level carbon targets, local legislation, and voluntary commercial commitments.



Economic Instruments

Rather than regulatory mandates, economic incentives form the exclusive basis of the U.S. carbon management strategy. The primary instrument is the 45Q Tax Credit, which provides robust production subsidies (from \$85/metric ton for point-source capture, up to \$180/metric ton for Direct Air Capture).³ This is supplemented by direct federal funding authorized

under the 2021 Bipartisan Infrastructure Law, notably the \$3.5 billion allocation for Regional Direct Air Capture (DAC) Hubs.⁴ Additionally, the DOE utilizes public procurement mechanisms, such as the CDR Purchase Pilot, to guarantee early market demand and thus de-risk commercial-scale deployment across varying CDR pathways.⁵



Infrastructure & Permitting

Carbon transport and storage infrastructure is primarily governed through the EPA's Underground Injection Control (UIC) Program, specifically Class VI well regulations for geological sequestration. To accelerate deployment, the federal government increasingly

delegates permitting authority (primacy) to individual states. As of late 2025, six states – most recently Texas in November 2025 – have been granted Class VI primacy, allowing them to independently issue permits and bypass federal bottlenecks.⁶

- 1 President Trump and Administrator Zeldin Deliver Single Largest Deregulatory Action in U.S. History. (2026). U.S. Environmental Protection Agency. <https://www.epa.gov/newsreleases/president-trump-and-administrator-zeldin-deliver-single-largest-deregulatory-action-us>
- 2 US Government. Strategy for the Carbon Negative Shot. (2025). Department of Energy, 5.
- 3 45Q Carbon Management Incentive Preserved In Latest Budget Proposal. (2025). Carbon Herald. <https://carbonherald.com/45q-carbon-management-incentive-preserved-in-latest-budget-proposal/>
- 4 Katie Lebling and Danielle Riedl. EU-US Comparison: Funding for RD&I. (2025). Carbon Gap. <https://tracker.carbongap.org/regional-analysis/eu-us-comparison/funding-for-rdi/>
- 5 US Government. Strategy for the Carbon Negative Shot. (2025). Department of Energy, 5-6.
- 6 Texas Granted Primacy Over Class VI Wells, Streamlining Carbon Capture Storage Permitting. (2025). Holland & Knight LLP. <https://www.hklaw.com/en/insights/publications/2025/11/texas-granted-primacy-over-class-vi-wells>

This regulatory delegation heavily favours southern, fossil-energy-producing states, which leverage existing infrastructure

and regulatory experience originally developed for Enhanced Oil Recovery (EOR).



Monitoring, Reporting, Verification & Transparency

There is no unified, legally binding federal standard for MRV or carbon certification in the United States. Instead, MRV criteria are functionally enforced through financial eligibility requirements: operators must comply with specific monitoring and reporting guidelines defined by the EPA and the Internal Revenue Service (IRS) solely to claim the 45Q tax credit or secure DOE

procurement funding.⁷ While developing robust MRV standards remains a stated objective of the DOE's research initiatives, the absence of a federal legislative process for certification leaves the market reliant on private, third-party registries and fragmented state-level accounting rules.



Just Transition & Equity

Federal integration of equity and just transition principles in carbon management is largely non-statutory and tied to grant conditions rather than binding safeguards. Under the Biden administration's Justice40 Initiative, federally funded projects (like the DAC Hubs) were required to deliver benefits to disadvantaged communities; however, current political shifts

and restructuring within the DOE and EPA cast significant doubt on the continued enforcement of these frameworks.⁸ State-level approaches vary drastically, with some states actively legislating community protections while others explicitly prioritize industrial and economic development over socio-environmental safeguards.

7 Katie Lebling and Danielle Riedl. EU-US Comparison: MRV and Certification. (2025). Carbon Gap. <https://tracker.carbongap.org/regional-analysis/eu-us-comparison/mrv-and-certification/>.

8 Sebastian Manhart. Carbon Removal Policy in Trump's Second Term: What to Expect. (2025, January 13). Carbonfuture. <https://www.carbonfuture.earth/magazine/carbon-removal-policy-in-trumps-second-term-what-to-expect>

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