

The Hon. Mike Johnson,
Speaker
H-232, The Capitol
Washington, DC 20515

The Hon. Chuck Schumer,
Senate Democratic Leader
322 Hart
Washington, DC 20510

The Hon. Hakeem Jeffries
House Democratic Leader
2433 Rayburn
Washington, DC 20515

The Hon. Mitch McConnell
Senate Republican Leader
317 Russell Senate Office Building
Washington, DC 20510

November 14, 2024

Dear Leader Schumer, Speaker Johnson, Leader McConnell, and Leader Jeffries,

On behalf of the undersigned organizations and our members, who comprise farmers, feedstock suppliers, fuel producers and consumers, we write to respectfully request that the Congress approve legislation this year to extend the IRC section 40A biodiesel and renewable diesel blenders credit through 2025.

On January 1, 2025, the tax code will undergo a planned shift—initiated by the Inflation Reduction Act (IRA)—from the technology-specific fuel tax incentives to the technology-neutral section 45Z Clean Fuel Production Credit. Please know that our organizations appreciate the intent of 45Z, to support domestic innovation, economic growth, and job creation by limiting the tax credit to fuels produced in the US.

Unfortunately, more than two years after enactment, and with fewer than 60 days remaining until the changeover to this new regime, the Administration has not yet issued the crucial tax guidance that our members and industry stakeholders need to understand basic facts like the amount of the tax credit that they will receive for the fuel that they produce. Due to the significant uncertainty created by this lack of guidance, American clean fuel producers and their partners in agriculture and fuel marketing are facing tremendous confusion in the marketplace. It is therefore critical that Congress provide a temporary, short-term extension of the existing 40A blenders credit to allow the necessary transition and a smooth integration of the new credit into business plans.

A one-year extension of the section 40A credit, to cover fuels blended in 2025, would provide American clean fuel producers with the requisite time to receive and fully understand the final rule implementing the section 45Z credit. Additionally, enacting an extension of the blenders credit for only one year ensures that both the government and

taxpayers have an incentive to prepare to do business under the section 45Z credit as soon as possible.

Legislation to extend the section 40A credit for one year (H.R.9060—the Biodiesel Tax Credit Extension Act of 2024) has already been proposed by a bipartisan group of lawmakers. Incorporating a narrow, short-term bill like H.R.9060 into end-of-year legislation represents an opportunity for Congress to do the right thing by American clean fuel producers and the sector’s supply chain whose businesses are currently in a state of disarray due to the lack of government guidance.

Again, we urge you to add an extension of the biodiesel and renewable diesel blenders tax credit onto the first appropriate legislative vehicle moving prior to the end of the year. We are grateful for your hard work on these issues and continued engagement with industry. We are happy to be a resource on this issue and look forward to continuing to work with you and your colleagues going forward.

Respectfully,

Clean Fuels Alliance America

American Soybean Association

National Oilseed Processors Association

Illinois Soybean Growers

Indiana Soybean Alliance

Iowa Biodiesel Board

Iowa Soybean Association

Missouri Soybean Association

Nebraska Soybean Association

North Dakota Soybean Growers Association

Wisconsin Soybean Association