

Clean Fuel Production Credit

Beginning January 1, 2025, the Treasury Department will offer tax credits for the production and sale of low emission transportation fuels, including sustainable aviation fuel (SAF). The tax credit amount is \$0.20 per gallon for non-aviation fuel and \$0.35 per gallon for SAF. For facilities that satisfy the [prevailing wage and apprenticeship requirements \(https://www.irs.gov/credits-deductions/frequently-asked-questions-about-the-prevailing-wage-and-apprenticeship-under-the-inflation-reduction-act\)](https://www.irs.gov/credits-deductions/frequently-asked-questions-about-the-prevailing-wage-and-apprenticeship-under-the-inflation-reduction-act), the credit amount is \$1.00 per gallon for non-aviation fuel and \$1.75 per gallon for SAF. For any taxable year, the Clean Fuel Production Credit is equal to the applicable credit amount per gallon multiplied by the fuel's carbon dioxide emissions factor. Emissions factors will be published annually by the Secretary of the Treasury. Beginning January 1, 2025, tax credits will be adjusted for inflation. Further guidance is forthcoming. For more information, including guidance updates, see the Internal Revenue Service [Credits and Deductions under the Inflation Reduction Act \(https://www.irs.gov/credits-and-deductions-under-the-inflation-reduction-act-of-2022\)](https://www.irs.gov/credits-and-deductions-under-the-inflation-reduction-act-of-2022) website.

(Reference [Public Law 117-169 \(https://www.congress.gov/public-laws/117th-congress\)](https://www.congress.gov/public-laws/117th-congress) and [26 U.S. Code 45Z \(https://www.govinfo.gov/\)](https://www.govinfo.gov/))

Jurisdiction: **Federal**

Type: **Incentives**

Agency: **U.S. Internal Revenue Service**

Technologies: **Biodiesel, Ethanol, Natural Gas, Renewable Diesel**

See all [Federal Laws and Incentives \(/laws/fed_summary\)](#).

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