

Biodiesel Income Tax Credit

NOTE: This incentive was originally set to expire on December 31, 2022, but has been extended through December 31, 2024, by Public Law 117-169.

A taxpayer that delivers pure, unblended biodiesel (B100) into the tank of a vehicle or uses B100 as an on-road fuel in their trade or business may be eligible for an incentive in the amount of \$1.00 per gallon of biodiesel, agri-biodiesel, or renewable diesel. If the biodiesel was sold at retail, only the person that sold the fuel and placed it into the tank of the vehicle is eligible for the tax credit. The incentive is allowed as a credit against the taxpayer's income tax liability. Claims must include a copy of the certificate from the registered biodiesel producer or importer that: identifies the product; specifies the product's biodiesel, agri-biodiesel, and/or renewable diesel content; confirms that the product is properly registered as a fuel with the U.S. Environmental Protection Agency (EPA); and confirms that the product meets the requirements of ASTM (<https://www.astm.org/Standard/index.html>) Standard D6751. Renewable diesel is defined as liquid fuel derived from biomass that meets EPA's fuel registration requirements and ASTM (<https://www.astm.org/Standard/index.html>) Standards D975 or D396; the definition of renewable diesel does not include any fuel derived from co-processing biomass with a feedstock that is not biomass.

For more information about claiming the credit, see Internal Revenue Service (IRS) Forms 637 and 8864, which are available on the IRS Forms and Publications (<http://apps.irs.gov/app/picklist/list/formsPublications.html>) website. For information about registering with the EPA, see the EPA Fuels Registration, Reporting, and Compliance Help (<https://www.epa.gov/fuels-registration-reporting-and-compliance-help>) website.

(Reference 26 U.S. Code 40A (<http://www.gpo.gov/fdsys/>) and Public Law 117-169 (<https://www.congress.gov/public-laws/117th-congress>))

Point of Contact

U.S. Internal Revenue Service
Phone: (800) 829-1040
<http://www.irs.gov/> (<http://www.irs.gov/>)

Jurisdiction: **Federal**

Type: **Incentives**

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

Enacted: **Oct 22, 2004**

Amended: **Aug 16, 2022**

Technologies: **Biodiesel, Renewable Diesel**

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

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(<mailto:technicalresponse@icf.com>) **Need project assistance?**
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