



June 27, 2025

The Honorable John Thune  
Majority Leader  
U.S. Senate  
Washington, D.C. 20510

The Honorable Mike Crapo  
Chairman  
U.S. Senate Committee on Finance  
Washington, D.C. 20510

Majority Leader Thune and Chairman Crapo:

On behalf of the undersigned associations, we offer our strong support for the provision that would restore technology neutrality to the Section 45Z Credit for biofuel production (“45Z Credit”) included in the Senate Finance Committee’s (the “Committee’s”) portion of the Fiscal Year 2025 reconciliation legislation. We greatly appreciate your leadership in advancing this important energy tax policy that will help to keep diesel prices low in the coming years.

Over the past decade, our associations – and the member companies we represent – have made major investments in clean diesel that lowers prices for American consumers. Biomass-based diesel alternatives like biodiesel and renewable diesel help to diversify and lengthen the supply of transportation energy while also enhancing domestic energy security.

The improvements to biofuel tax policy proposed in the Committee’s recently released reconciliation text would rectify a substantial fuel market imbalance inflicted by the existing version of the 45Z Credit as enacted under the Inflation Reduction Act. Specifically, the Committee’s proposed changes would restore a level playing field for biofuel production by eliminating the market-distorting advantage for aviation fuel. Under the Committee’s legislation, tax credit values would be fuel agnostic, empowering the free market to allocate biofuel feedstocks to their most efficient end-use case. SAF would still have access to a tax credit under the Committee’s proposal, it just would be at the same level as every other renewable fuel. That is true “tech neutrality.”

The Committee’s approach will ensure that the trucking and rail industries continue to have access to a robust alternative fuel supply, which helps to lower diesel prices, and ultimately the cost of all consumer goods that move by truck and rail. If adopted, the Committee’s revisions to the 45Z Credit will help stabilize diesel markets in ways that will benefit consumers.

The Committee’s revised, technology-neutral approach helps to align biofuels policy with the Republican Conference’s broader objective of fiscal responsibility by ensuring tax dollars are directed to support the most cost-effective, efficient and environmentally compelling fuel technologies. The cost savings generated by this provision may also help to offset the outlays of

other elements of the Committee's proposed legislation, such as extending the 45Z Credit beyond 2027.

We are grateful for your ongoing work with our industries on this important legislation and strongly encourage the Senate to adopt the changes to the 45Z Credit as proposed by the Committee.

Sincerely,

American Trucking Associations (ATA)

Association of American Railroads (AAR)

National Association of Convenience Stores (NACS)

National Energy and Fuels Institute (NEFI)

NATSO, Representing America's Travel Centers and Truck Stops

SIGMA: America's Leading Fuel Marketers

Sustainable Advanced Biofuel Refiners (SABR)

Cc: Members of the Senate Finance Committee