

AMENDMENT TO RULES COMMITTEE PRINT 118-

11

OFFERED BY MS. BROWNLEY OF CALIFORNIA

At the end of title XII, add the following:

1 **SEC. ____ . SUSTAINABLE AVIATION FUEL PRODUCTION**

2 **PROPERTY ADDED TO ENERGY CREDIT.**

3 (a) **IN GENERAL.**—Section 48 of the Internal Rev-
4 enue Code of 1986 is amended—

5 (1) in subsection (a)—

6 (A) in paragraph (2)(A)(i)—

7 (i) in subclause (VIII), by striking
8 “and”, and

9 (ii) by adding at the end the following
10 new subclause:

11 “(X) sustainable aviation fuel
12 production property, and”,

13 (B) in paragraph (3)(A), by striking “or”
14 at the end of clause (x), inserting “or” at the
15 end of clause (xi), and by adding at the end the
16 following new clause:

17 “(xii) sustainable aviation fuel produc-
18 tion property,”, and

1 (C) by redesignating paragraph (16) as
2 paragraph (17) and by inserting after para-
3 graph (15) the following new paragraph:

4 “(16) PHASEOUT FOR SUSTAINABLE AVIATION
5 FUEL PRODUCTION PROPERTY.—In the case of any
6 energy property described in paragraph (3)(A)(xii)
7 the construction of which begins before January 1,
8 2037, the energy percentage determined under para-
9 graph (2) shall be equal to—

10 “(A) in the case of any property the con-
11 struction of which begins after December 31,
12 2028, and before January 1, 2030, 24 percent,

13 “(B) in the case of any property the con-
14 struction of which begins after December 31,
15 2029, and before January 1, 2031, 18 percent,
16 and

17 “(C) in the case of any property the con-
18 struction of which begins after December 31,
19 2030, and before January 1, 2037, 12 per-
20 cent.”, and

21 (2) in subsection (c), by adding at the end the
22 following new paragraph:

23 “(9) SUSTAINABLE AVIATION FUEL PRODUC-
24 TION PROPERTY.—

1 “(A) IN GENERAL.—The term ‘sustainable
2 aviation fuel production property’ means—

3 “(i) property which produces sustain-
4 able aviation fuel (as defined in section
5 40B(d)), or

6 “(ii) property directly related to ena-
7 bling the production or distribution of sus-
8 tainable aviation fuel.

9 “(B) RECAPTURE OF CREDIT.—The Sec-
10 retary shall, by regulations, provide for recap-
11 turing the benefit of any credit allowable under
12 subsection (a)(3)(A)(xii) with respect to any
13 sustainable aviation fuel production property if
14 the sustainable aviation fuel production of such
15 property comprises less than 80 percent of the
16 total fuel production of such property in any of
17 the 5 taxable years immediately following the
18 taxable year in which such property was placed
19 in service.”.

20 (b) EFFECTIVE DATE.—The amendments made by
21 this section shall apply to fuel produced after December
22 31, 2023.

