



**AMENDMENT TO THE
SENATE AMENDMENT TO H.R. 1
OFFERED BY MR. FEENSTRA OF IOWA**

Strike section 70521 and insert the following:

1 **SEC. 70521. EXTENSION AND MODIFICATION OF CLEAN**
2 **FUEL PRODUCTION CREDIT.**

3 (a) **PROHIBITION ON FOREIGN FEEDSTOCKS.—**

4 (1) **IN GENERAL.**—Section 45Z(f)(1)(A) is
5 amended—

6 (A) in clause (i)(II)(bb), by striking “and”
7 at the end,

8 (B) in clause (ii), by striking the period at
9 the end and inserting “, and”, and

10 (C) by adding at the end the following new
11 clause:

12 “(iii) such fuel is exclusively derived
13 from a feedstock which was produced or
14 grown in the United States, Mexico, or
15 Canada.”.

16 (2) **EFFECTIVE DATE.**—The amendments made
17 by this subsection shall apply to transportation fuel
18 produced after December 31, 2025.

19 (b) **PROHIBITION ON NEGATIVE EMISSION RATES.—**

1 (1) IN GENERAL.—Section 45Z(b)(1) is amend-
2 ed—

3 (A) by striking subparagraph (C) and in-
4 serting the following:

5 “(C) ROUNDING OF EMISSIONS RATE.—
6 The Secretary may round the emissions rates
7 under subparagraph (B) to the nearest multiple
8 of 5 kilograms of CO₂e per mmBTU.”, and

9 (B) by adding at the end the following new
10 subparagraph:

11 “(E) PROHIBITION ON NEGATIVE EMIS-
12 SION RATES.—For purposes of this section, the
13 emissions rate for a transportation fuel may not
14 be less than zero.”.

15 (2) EFFECTIVE DATE.—The amendments made
16 by this subsection shall apply to emissions rates pub-
17 lished for transportation fuel produced after Decem-
18 ber 31, 2025.

19 (c) DETERMINATION OF EMISSIONS RATE.—

20 (1) IN GENERAL.—Section 45Z(b)(1)(B) is
21 amended by adding at the end the following new
22 clauses:

23 “(iv) EXCLUSION OF INDIRECT LAND
24 USE CHANGES.—Notwithstanding clauses
25 (i), (ii), and (iii), the emissions rate shall

1 be adjusted as necessary to exclude any
2 emissions attributed to indirect land use
3 change. Any such adjustment shall be
4 based on regulations or methodologies de-
5 termined by the Secretary.

6 “(v) ANIMAL MANURES.—With re-
7 spect to any transportation fuel which is
8 derived from animal manure, the Sec-
9 retary—

10 “(I) shall provide a distinct emis-
11 sions rate with respect to such fuel
12 based on the specific animal manure
13 feedstock, which may include dairy
14 manure, swine manure, poultry ma-
15 nure, or any other sources as are de-
16 termined appropriate by the Sec-
17 retary, and

18 “(II) notwithstanding subpara-
19 graph (E), may provide an emissions
20 rate that is less than zero.”.

21 (2) CONFORMING AMENDMENT.—Section
22 45Z(b)(1)(B)(i) is amended by striking “clauses (ii)
23 and (iii)” and inserting “clauses (ii), (iii), (iv), and
24 (v)”.

1 (3) EFFECTIVE DATE.—The amendments made
2 by this subsection shall apply to emissions rates pub-
3 lished for transportation fuel produced after Decem-
4 ber 31, 2025.

5 (d) EXTENSION OF CLEAN FUEL PRODUCTION
6 CREDIT.—Section 45Z(g) is amended by striking “Decem-
7 ber 31, 2027” and inserting “December 31, 2029”.

8 (e) PREVENTING DOUBLE CREDIT.—Section
9 45Z(d)(5) is amended—

10 (1) in subparagraph (A)—

11 (A) in clause (ii), by striking “and” at the
12 end,

13 (B) in clause (iii), by striking the period at
14 the end and inserting “, and”, and

15 (C) by adding at the end the following new
16 clause:

17 “(iv) except as provided under sub-
18 section (f)(8), is not produced from a fuel
19 for which a credit under this section is al-
20 lowable.”, and

21 (2) by adding at the end the following new sub-
22 paragraph:

23 “(C) REGULATIONS AND GUIDANCE.—The
24 Secretary shall issue such regulations or other
25 guidance as the Secretary determines necessary

1 to carry out the purposes of subparagraph
2 (A)(iv).”.

3 (f) SALES TO UNRELATED PERSONS.—Section
4 45Z(f)(3) is amended by adding at the end the following:
5 “The Secretary may prescribe additional related person
6 rules similar to the rule described in the preceding sen-
7 tence for entities which are not described in such sentence,
8 including rules for related persons with respect to which
9 the taxpayer has reason to believe will sell fuel to an unre-
10 lated person in a manner described in subsection (a)(4).”.

11 (g) TREATMENT OF SUSTAINABLE AVIATION
12 FUEL.—

13 (1) COORDINATION OF CREDITS.—

14 (A) IN GENERAL.—Section 45Z(a)(3) is
15 amended—

16 (i) in the heading, by striking “SPE-
17 CIAL” and inserting “ADJUSTED”, and

18 (ii) by adding at the end the following
19 new subparagraph:

20 “(C) COORDINATION OF CREDITS.—In the
21 case of a transportation fuel which is sustain-
22 able aviation fuel which is sold before October
23 1, 2025, the amount of the credit determined
24 under paragraph (1) with respect to any gallon
25 of such fuel shall be reduced by an amount

1 equal to the amount of the sustainable aviation
2 fuel credit allowable under section 6426(k)(1).”.

3 (B) EFFECTIVE DATE.—The amendments
4 made by this paragraph shall apply to fuel sold
5 after December 31, 2024.

6 (2) SPECIAL RULE FOR ETHANOL AND SUS-
7 TAINABLE AVIATION FUEL PRODUCTION.—

8 (A) IN GENERAL.—Section 45Z(f) is
9 amended by adding at the end the following
10 new paragraph:

11 “(8) SPECIAL RULE FOR ETHANOL AND SUS-
12 TAINABLE AVIATION FUEL PRODUCTION.—

13 “(A) IN GENERAL.—Subject to subpara-
14 graph (B), in the case of sustainable aviation
15 fuel produced using alcohol-to-jet processes
16 where the ethanol feedstock is produced by a
17 taxpayer at a qualified facility, both—

18 “(i) the taxpayer producing the eth-
19 anol feedstock, and

20 “(ii) the taxpayer producing the sus-
21 tainable aviation fuel,

22 may claim the clean fuel production credit de-
23 termined under this section with respect to
24 their respective production activities, provided
25 that each taxpayer meets the requirements of

1 this section, including registration under section
2 4101 and certification requirements under sub-
3 section (f)(4).

4 “(B) DIFFERENT FEEDSTOCKS AND PROD-
5 UCTS.—For purposes of this paragraph—

6 “(i) ethanol and sustainable aviation
7 fuel shall be treated as distinct products
8 derived from distinct production processes,
9 and

10 “(ii) the credit allowed under this sec-
11 tion to any taxpayer described in subpara-
12 graph (A)(ii) with respect to any gallon of
13 sustainable aviation fuel produced by such
14 taxpayer shall be reduced by the amount of
15 the credit allowable under this section to
16 any taxpayer described in subparagraph
17 (A)(i) with respect to any ethanol feed-
18 stock produced by such taxpayer which
19 was used in the production of such gallon
20 of sustainable aviation fuel.

21 “(C) COORDINATION TO PREVENT DUPLI-
22 CATION.—The Secretary shall prescribe regula-
23 tions to carry out the purposes of this para-
24 graph, including—

1 “(i) ensuring that, with respect to any
2 gallon of sustainable aviation fuel, the total
3 amount of credits claimed under this para-
4 graph by the taxpayers described in clauses
5 (i) and (ii) of subparagraph (A) do not ex-
6 ceed the amount determined under sub-
7 section (a) (as determined without applica-
8 tion of this subparagraph) with respect to
9 such gallon of sustainable aviation fuel,
10 and

11 “(ii) ensuring that the emissions fac-
12 tors and lifecycle greenhouse gas emissions
13 calculations appropriately reflect the con-
14 tributions of each taxpayer.”.

15 (B) DEFINITION.—Section 45Z(d) is
16 amended by adding at the end the following
17 new paragraph:

18 “(6) ALCOHOL-TO-JET PROCESSES.—The term
19 ‘alcohol-to-jet processes’ means processes for pro-
20 ducing sustainable aviation fuel in which ethanol or
21 other alcohols are used as the primary feedstock, as
22 determined by the Secretary in accordance with ap-
23 plicable standards, including ASTM International
24 Standard D7566.”.

1 (C) GUIDANCE.—Section 45Z(e) is amend-
2 ed by adding at the end the following: “The
3 Secretary shall issue additional guidance, as
4 necessary, for the implementation and applica-
5 tion of credits determined under this section for
6 ethanol and sustainable aviation fuel producers
7 under subsection (f)(8).”.

8 (D) EFFECTIVE DATE.—The amendments
9 made by this paragraph shall apply to fuel pro-
10 duced and sold after December 31, 2024.

11 (h) SUSTAINABLE AVIATION FUEL CREDIT.—Section
12 6426(k) is amended by adding at the end the following
13 new paragraph:

14 “(4) TERMINATION.—This subsection shall not
15 apply to any sale or use for any period after Sep-
16 tember 30, 2025.”.

17 (i) REGISTRATION OF PRODUCERS OF FUEL ELIGI-
18 BLE FOR CLEAN FUEL PRODUCTION CREDIT.—

19 (1) IN GENERAL.—Section 13704(b)(5) of Pub-
20 lic Law 117-169 is amended by striking “after ‘sec-
21 tion 6426(k)(3)),’” and inserting “after ‘section
22 40B),’”.

23 (2) EFFECTIVE DATE.—The amendment made
24 by this subsection shall apply to transportation fuel
25 produced after December 31, 2024.

1 (j) EXTENSION AND MODIFICATION OF SMALL AGRI-
2 BIODIESEL PRODUCER CREDIT.—

3 (1) IN GENERAL.—Section 40A is amended—

4 (A) in subsection (b)(4)—

5 (i) in subparagraph (A), by striking
6 “10 cents” and inserting “20 cents”,

7 (ii) in subparagraph (B), by inserting
8 “in a manner which complies with the re-
9 quirements under section
10 45Z(f)(1)(A)(iii)” after “produced by an
11 eligible small agri-biodiesel producer”, and

12 (iii) by adding at the end the fol-
13 lowing new subparagraph:

14 “(D) COORDINATION WITH CLEAN FUEL
15 PRODUCTION CREDIT.—The credit determined
16 under this paragraph with respect to any gallon
17 of fuel shall be in addition to any credit deter-
18 mined under section 45Z with respect to such
19 gallon of fuel.”, and

20 (B) in subsection (g), by inserting “(or, in
21 the case of the small agri-biodiesel producer
22 credit, any sale or use after December 31,
23 2026)” after “December 31, 2024”.

1 (2) TRANSFER OF CREDIT.—Section
2 6418(f)(1)(A) is amended by adding at the end the
3 following new clause:

4 “(xii) So much of the biodiesel fuels
5 credit determined under section 40A which
6 consists of the small agri-biodiesel pro-
7 ducer credit determined under subsection
8 (b)(4) of such section.”.

9 (3) EFFECTIVE DATE.—The amendments made
10 by this subsection shall apply to fuel sold or used
11 after June 30, 2025.

12 (k) RESTRICTIONS RELATING TO PROHIBITED FOR-
13 EIGN ENTITIES.—

14 (1) IN GENERAL.—Section 45Z(f), as amended
15 by preceding provisions of this Act, is amended by
16 adding at the end the following new paragraph:

17 “(9) RESTRICTIONS RELATING TO PROHIBITED
18 FOREIGN ENTITIES.—

19 “(A) IN GENERAL.—No credit shall be de-
20 termined under subsection (a) for any taxable
21 year beginning after the date of enactment of
22 this paragraph if the taxpayer is a specified for-
23 eign entity (as defined in section
24 7701(a)(51)(B)).

1 “(B) OTHER PROHIBITED FOREIGN ENTI-
2 TIES.—No credit shall be determined under
3 subsection (a) for any taxable year beginning
4 after the date which is 2 years after the date
5 of enactment of this paragraph if the taxpayer
6 is a foreign-influenced entity (as defined in sec-
7 tion 7701(a)(51)(D), without regard to clause
8 (i)(II) thereof).”.

9 (2) EFFECTIVE DATE.—The amendment made
10 by this subsection shall apply to taxable years begin-
11 ning after the date of enactment of this Act.

