

**AMENDMENT TO RULES COMMITTEE PRINT 119-**

**33**

**OFFERED BY MR. LUTTRELL OF TEXAS**

At the end of subtitle B of title XVII, add the following:

1 **SEC. 17\_\_ . REFUNDABLE CREDIT FOR LIQUIFIED NAT-**  
2 **URAL GAS USED IN STRATEGIC PROPULSION**  
3 **ACTIVITIES.**

4 (a) **IN GENERAL.**—Subchapter B of chapter 65 of the  
5 Internal Revenue Code of 1986 is amended by inserting  
6 after section 6426 the following new section:

7 **“SEC. 6426A. REFUNDABLE CREDIT FOR LIQUIFIED NAT-**  
8 **URAL GAS USED IN STRATEGIC PROPULSION**  
9 **ACTIVITIES.**

10 “(a) **IN GENERAL.**—Every person producing liquified  
11 natural gas in the United States and either using such  
12 fuel in a strategic propulsion activity or selling such fuel  
13 for use in a strategic propulsion activity shall be treated  
14 as making a payment against the tax imposed under sec-  
15 tion 4081 equal to \$0.50 per diesel gallon equivalent of  
16 such liquified natural gas.

1           “(b) STRATEGIC PROPULSION ACTIVITY.—For pur-  
2 poses of this section, the term ‘strategic propulsion activ-  
3 ity’ means use as a fuel in—

4                   “(1) a maritime vessel, or

5                   “(2) in an aerospace propulsion system (includ-  
6 ing launch vehicles and associated ground support  
7 systems).

8           “(c) REGISTRATION REQUIREMENT.—Subsection (a)  
9 shall not apply to any person unless such person is reg-  
10 istered under section 4101.

11           “(d) INFLATION ADJUSTMENT.—In the case of any  
12 liquified natural gas sold or used in a calendar year begin-  
13 ning after 2026, the \$0.50 amount in subsection (a) shall  
14 be increased by an amount equal to—

15                   “(1) such dollar amount, multiplied by

16                   “(2) the cost-of-living adjustment determined  
17 under section 1(f)(3) for the calendar year, deter-  
18 mined by substituting ‘calendar year 2025’ for ‘cal-  
19 endar year 2016’ in subparagraph (A)(ii) thereof.

20 If any amount as increased under the preceding sentence  
21 is not a multiple of \$0.01, such amount shall be rounded  
22 to the nearest multiple of \$0.01.

23           “(e) TREATMENT OF REFUNDS.—For purposes of  
24 section 1324 of title 31, United States Code, any refund  
25 resulting from the application of subsection (a) shall be

1 treated in the same manner as a refund due from a credit  
2 provision referred to in subsection (b)(2) of such section.

3 “(f) TERMINATION.—This section shall not apply to  
4 any liquified natural gas sold or used after December 31,  
5 2034.”.

6 (b) CLERICAL AMENDMENT.—The table of sections  
7 for subchapter B of chapter 65 of such Code is amended  
8 by inserting after the item relating to section 6426 the  
9 following new item:

“Sec. 6426A. Refundable credit for liquified natural gas used in strategic propulsion activities.”.

10 (c) EFFECTIVE DATE.—The amendments made by  
11 this section shall apply to fuel sold or used after December  
12 31, 2024.

