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(Original Signature of Member)

119TH CONGRESS
1ST SESSION

H. R. _____

To amend the Internal Revenue Code of 1986 to extend the biodiesel fuels credit and the biodiesel mixture credit.

IN THE HOUSE OF REPRESENTATIVES

Mr. CAREY introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Internal Revenue Code of 1986 to extend the biodiesel fuels credit and the biodiesel mixture credit.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Biodiesel Tax Exten-
5 sion Act of 2025”.

6 **SEC. 2. EXTENSION OF BIOFUEL TAX INCENTIVES.**

7 (a) EXTENSION OF BIODIESEL AND RENEWABLE
8 DIESEL CREDIT.—

1 (1) IN GENERAL.—Section 40A(g) of the Inter-
2 nal Revenue Code of 1986 is amended by striking
3 “2024” and inserting “2026”.

4 (2) DENIAL OF DOUBLE BENEFIT.—Section
5 40A of such Code is amended—

6 A) by redesignating subsection (g) (as
7 amended) as subsection (h), and

8 (B) by inserting after subsection (f) the
9 following new subsection:

10 “(g) DENIAL OF DOUBLE BENEFIT.—In the case of
11 any fuel with respect to which a credit is allowed under
12 section 45Z(a) for any taxable year, the amount deter-
13 mined under this section with respect to such fuel shall
14 be zero.”.

15 (b) EXTENSION OF BIODIESEL MIXTURE CREDIT.—

16 (1) EXTENSION OF CREDIT FOR FUELS USED
17 FOR TAXABLE PURPOSES.—

18 (A) IN GENERAL.—Section 6426(c)(6) of
19 such Code is amended by striking “2024” and
20 inserting “2026”.

21 (B) DENIAL OF DOUBLE BENEFIT.—Sec-
22 tion 6426(c) of such Code is amended by add-
23 ing at the end the following new paragraph:

24 “(7) DENIAL OF DOUBLE BENEFIT.—In the
25 case of any fuel with respect to which a credit is al-

1 lowed under section 45Z(a) for any taxable year, the
2 applicable amount determined under this paragraph
3 (2) with respect to such fuel shall be zero.”.

4 (2) EXTENSION OF CREDIT FOR FUELS NOT
5 USED FOR TAXABLE PURPOSES.—Section
6 6427(e)(6)(B) of such Code is amended by striking
7 “2024” and inserting “2025”.

8 (c) EXTENSION OF ALCOHOL FUEL CREDIT WITH
9 RESPECT TO SECOND GENERATION BIOFUEL PRODUC-
10 TION AND COORDINATION WITH CLEAN FUEL PRODUC-
11 TION CREDIT.—

12 (1) COORDINATION WITH CLEAN FUEL PRODUC-
13 TION CREDIT.—Section 40(b) of such Code is
14 amended by redesignating paragraph (6) as para-
15 graph (7) and by inserting after paragraph (5) the
16 following new paragraph:

17 “(6) COORDINATION WITH CLEAN FUEL PRO-
18 DUCTION CREDIT.—No credit shall be determined
19 under this paragraph with respect to fuel with re-
20 spect to which a credit was allowed under section
21 45Z(a).”.

22 (2) EXTENSION.—Section 40(b)(7)(J)(i) of
23 such Code (as so redesignated) is amended by strik-
24 ing “January 1, 2025” and inserting “January 1,
25 2027”.

1 (d) EFFECTIVE DATES.—

2 (1) BIODIESELS.—The amendments made sub-
3 sections (a) and (b) shall apply to fuel sold or used
4 after December 31, 2024.

5 (2) SECOND GENERATION BIOFUELS.—The
6 amendments made by subsection (c) shall apply to
7 qualified second generation biofuel (as defined in
8 section 40(b)(6)(C) of such Code) production occur-
9 ring after December 31, 2024.