



SABR Coalition
SUSTAINABLE ADVANCED BIOFUEL REFINERS
www.sabrcoalition.org



April 29, 2025

The Honorable Mike Johnson
Speaker, House of Representatives
Washington, DC 20515

The Honorable John Thune
Majority Leader, US Senate
Washington, DC 20510

The Honorable Hakeem Jeffries
Minority Leader, House of Representatives
Washington, DC 20515

The Honorable Charles Schumer
Minority Leader, US Senate
Washington, DC 20510

The Honorable Jason Smith
Chairman, House Ways & Means Committee
Washington, DC 20515

The Honorable Mike Crapo
Chairman, Senate Finance Committee
Washington, DC 20510

The Honorable Richard Neal
Ranking Member, House Ways & Means Committee
Washington, DC 20515

The Honorable Ron Wyden
Ranking Member, Senate Finance Committee
Washington, DC 20510

Dear Speaker Johnson, Leader Jeffries, Leader Thune, Leader Shumer, Chairman Smith, Ranking Member Neal, Chairman Crapo, Ranking Member Wyden,

I am writing to you on behalf of the members of the Sustainable Advanced Biofuel Refiners (SABR) Coalition to express our concerns about the catastrophic impact that the lack of clear guidance and implementing regulations on the 45Z clean fuel tax credit is having on the advanced biofuels industry. To address these impacts, SABR fully supports and urges passage of an extension of the biodiesel blenders tax credit (40A) to allow time for Congress to fix the fundamentally flawed 45Z credit and allow the U.S. Department of Treasury time to finalize implementing regulations for Section 45Z. SABR is a coalition of 70 organizational [members](#) that have invested in building out America's first advanced biofuel - biodiesel. It includes stakeholders from every link in the biodiesel value chain from soybean farmers and soybean processors to biodiesel producers, distributors, retailers, and consumers, as well as infrastructure and products and services suppliers.

Section 45Z was intended to replace certain tax credits that expired at the end of 2024, including Section 40A biodiesel blenders tax credit. However, the ongoing delays in issuing clear guidance and even proposed regulations, let alone final regulations, have been extremely detrimental to the biodiesel industry. In the final days of the Biden Administration, IRS issued Notice 2025-10 regarding the 45Z credit. However rather than being a proposed rule, it announced "that the Department of the Treasury and the Internal Revenue Service intend to propose regulations (forthcoming proposed regulations) addressing the clean fuel production credit determined under § 45Z of the Internal Revenue Code." While providing some guidance, the Notice left open questions for which the industry continues to await clarification, as well as procedures to implement the credit. Moreover, for the marketplace, these rules appear to be in limbo as the new Administration is required to review and revise them to ensure consistency with President Trump's agenda.

The expiration of 40A on January 1, 2025 and the insufficient guidance on the 45Z credit, have largely and effectively shut down the biodiesel industry. It is our understanding that there are parties seeking to modify or clarify the 45Z credit in the budget reconciliation package. We agree that Section 45Z indeed must be modified to correct its fundamental flaws including the fact that it favors questionably sourced imported feedstocks over domestically produced agricultural feedstocks. *But even if 45Z is improved legislatively, it doesn't resolve the main reason that the biodiesel industry is shut down – the lack of implementing regulations to govern the credit. In fact, it starts the clock over on getting implementing regulations in place.*

We are four months into the first year in which the 45Z credit is in effect, and without sufficient guidance the results for the biodiesel industry have been disastrous.

There is a simple solution to this calamity. Congress can reinstate the 40A biodiesel blenders tax credit for 2025 and 2026 in order to buy time to resolve the outstanding issues related to the implementation of the 45Z credits. Implementing regulations for Section 40A are already in place and have been for 20 years – the markets understand and rely on those regulations. Reinstatement of Section 40A would immediately turn the markets back on. This simple solution would save the biodiesel industry from its current path toward the annihilation of 20 years of public and private investment in domestic manufacturing, agriculture and fueling infrastructure, and it would save the economic and energy benefits of those investments in the country.

We are happy to meet with you and your staff to discuss this issue further and work toward a solution that will protect the hundreds of billions of dollars that have been invested in the biodiesel refining industry in the United States over the past two decades, and help meet the ongoing need for clean, domestic liquid fuels.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Jobe". The signature is fluid and cursive, with a large initial "J" and "O".

Joe Jobe, CEO

Sustainable Advanced Biofuel Refiners Coalition