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October 22, 2026

The Honorable Scott Bessent
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue NW
Washington, D.C. 20220

The Honorable Frank J. Bisignano
Chief Executive Officer
Internal Revenue Service
1111 Constitution Avenue NW
Washington, D.C. 20224

Secretary Bessent and Mr. Bisignano:

The undersigned organizations, representing a broad range of businesses that produce, sell, transport, and depend on transportation fuel, appreciate the Treasury Department's ("Treasury's") ongoing, diligent work to implement the Clean Fuel Production Credit under Section 45Z of the Internal Revenue Code (the "45Z Credit").¹ We write to provide further detail on a recommendation our organizations have put forward throughout the rulemaking process that would meaningfully improve the 45Z Credit's ability to exert downward pressure on fuel prices in today's record-high price environment.² Specifically, our organizations urge Treasury to include credit value transparency provisions in the final rulemaking to ensure that the entire supply chain shares in the value of the 45Z Credit, including consumers in the form of lower prices at the pump.

The 45Z Credit provides biofuel producers with an incentive to produce eligible fuels. President Trump and Congress meaningfully improved the credit in several respects through the One, Big, Beautiful Bill Act ("OBBA").³ Notwithstanding those improvements, the structure of the 45Z Credit continues to limit the extent to which its value reaches consumers. The value of the credit varies by facility, feedstock, and production pathway. As a result, only the producer knows the precise value of the credit it receives. In light of persistent, elevated fuel prices, Treasury's final rule presents a timely opportunity to rectify that issue while simultaneously delivering relief at the pump.

Under 45Z, producers that possess exclusive knowledge of the credit value associated with particular products – and withhold that information from other market participants – are positioned to capture the full economic value of the credit to the detriment of consumers. Because producers are able to price their fuel against the petroleum fuel alternative, their margins expand as petroleum prices rise. The 45Z Credit also delivers a diminished per-gallon value relative to the former biodiesel tax credit ("BTC"), heightening the importance of ensuring that a greater share of that value reaches consumers.

¹ Section 45Z Clean Fuel Production Credit, 91 Fed. Reg. 5160 (proposed Feb. 4, 2026).

² *Diesel, the Fuel the U.S. Economy Runs On, Hits Record High*, NPR (Sept. 21, 2026), <https://www.npr.org/2026/09/21/nx-s1-5975468/diesel-the-fuel-the-u-s-economy-runs-on-hits-record-high>.

³ Pub. L. No. 119-21, § 70521, 139 Stat. 72, 276 (2025).

Farmers are similarly disadvantaged, because they do not know precisely how much additional incentive value a biofuel producer receives for fuel made from their crops and therefore cannot price those crops to reflect it. In the context of a production credit, credit values can reach farmers and consumers only if there are seamless price discovery mechanisms.

The most effective means available to Treasury to restore the consumer benefit of the BTC to the 45Z Credit is to establish transparency throughout the fuel supply chain. The final rule should require any producer that claims the 45Z Credit to disclose on its bills of lading or product transfer documents (1) whether the production facility received a 45Z Credit in the prior taxable year, (2) the average value of that credit per gallon of fuel the facility produced in the prior taxable year, and (3) whether, in the prior taxable year, the facility's credit value reflected USDA-recognized regenerative agriculture practices⁴ and whether the facility utilized carbon capture and storage.⁵

The suggested disclosures would address current informational asymmetries in the credit regime that can distort price discovery, create market inefficiencies, and limit the extent to which the credit stimulates demand. This information equips purchasers throughout the distribution chain, including wholesalers, terminal operators, and retail blenders, with the information necessary to negotiate prices that reflect an appropriate share of the credit value, without requiring disclosure of any complex, transaction-specific, or proprietary data. It would also benefit farmers by enhancing price discovery throughout the value chain. As credit values become known across the fuel market, farmers and the purchasers of their crops will be better positioned to assess the value that feedstocks, including those grown using regenerative agriculture practices, provide to biofuel producers, and to price their commodities accordingly.

The requirement would impose minimal costs on producers. Producers already calculate the information they would disclose while preparing their tax filings and already issue bills of lading and product transfer documents in the ordinary course of business. Treasury may adopt the requirement through the final rule or other regulatory guidance under its existing authority, without congressional action.

Our organizations appreciate the opportunity to share these views. At a time of record diesel prices, the final rule presents Treasury with a readily available means of maximizing the benefit of the 45Z Credit for American consumers. A straightforward requirement that producers

⁴ See Section 45Z Clean Fuel Production Credit, 91 Fed. Reg. 5160, 5172 (proposed Feb. 4, 2026) (describing Treasury's intention to incorporate a Section 45Z-specific version of the USDA Feedstock Carbon Intensity Calculator into the 45ZCF-GREET model).

⁵ Treasury has broad authority to establish such mechanisms in the final rule. Section 45Z(e) directs the Secretary to issue guidance regarding implementation of the 45Z Credit, including the determination of clean fuel production credits, and Section 7805(a) authorizes the Secretary to prescribe all needed rules and regulations for the enforcement of the Internal Revenue Code. The registration framework provides the most direct basis for a disclosure requirement. A producer must be registered under Section 4101 at the time of production in order to claim the 45Z Credit. Section 4101(a) requires registration "at such time, in such form and manner, and subject to such terms and conditions, as the Secretary may by regulations prescribe. Section 4101(d) separately authorizes the Secretary to require information reporting by any registered person. Treasury may therefore condition registration on a producer's disclosure of credit value information to its purchasers. Because that obligation would run directly from the producer to the purchaser, and Treasury and the IRS would not themselves disclose any return information, the requirement should not implicate the confidentiality protections of Section 6103.

disclose prior-year, facility-level credit information to the purchasers of their fuel would permit the value of the credit to flow through every level of the supply chain, from the farmer to the driver. Our organizations respectfully urge Treasury to incorporate such a requirement in the final rule and welcome the opportunity to discuss these issues with you at your convenience.

Sincerely,

Energy Marketers of America (EMA)
National Association of Convenience Stores (NACS)
National Propane Gas Association (NPGA)
NATSO, Representing America's Travel Centers and Truck Stops
SIGMA, America's Leading Fuel Marketers
Truckload Carriers Association (TCA)