

What Tax Incentives Exist for RNG Fleets?

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- Key Tax Incentives for RNG Fleets
- Budget Reconciliation
- Q&A



Key Tax Incentives for RNG Fleets



AFTC, RNG Incentive Act, IRA Credits

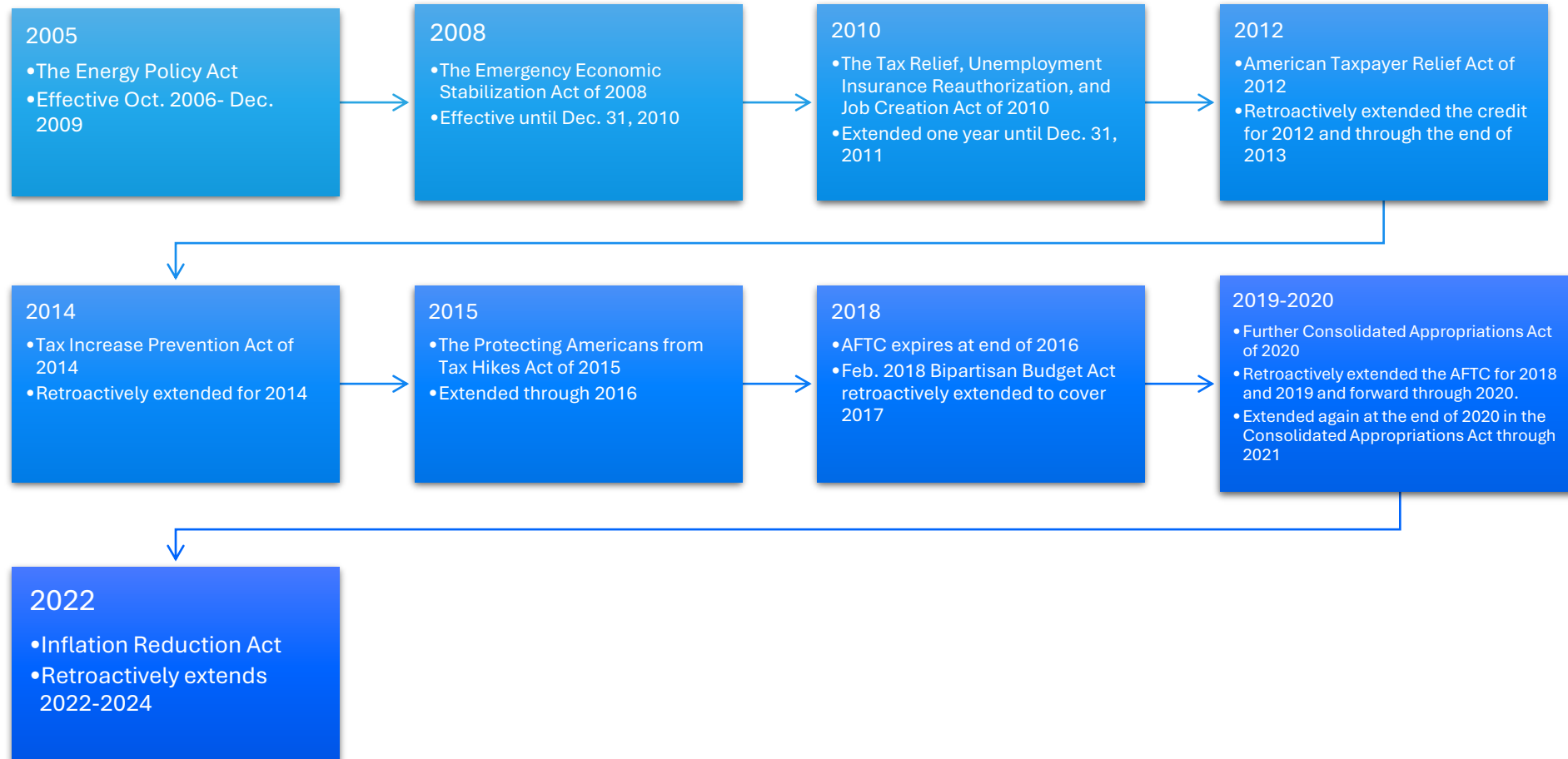


Alternative Fuel Tax Credit

- 26 USC 6426 and 6427
- \$0.50 per gallon credit for CNG, LNG, or RNG that is used as a fuel in a “motor vehicle or motorboat or in aviation.”
- Expired December 31, 2024



Alternative Fuel Tax Credit Timeline



S. 1252/H.R. 2596 The Renewable Natural Gas Incentive Act

- Builds on the success of the AFTC by increasing credit to \$1.00 for RNG used in transportation
- Led by Sens. Tillis & Warner and Reps. Fitzpatrick & Sánchez

Fitzpatrick, Sánchez Lead Bipartisan, Bicameral Charge to Power Clean Energy and Job Creation

April 3, 2025

Fueling America's Future: Lawmakers Introduce Tax Credit to Expand Renewable Natural Gas and Cut Emissions

Bipartisan RNG Bill Could Accelerate Cleaner Trucking

April 4, 2025

DIVE BRIEF

Bipartisan groups reintroduce pro-biofuel bills in Congress

Their reintroduction comes amid division over the future of clean energy credits.

Published April 17, 2025

IRA Tax Credits

- 45Z Clean Fuel Production Tax Credit
 - Incentive for producers who sell qualifying low lifecycle GHG emission transportation fuels between 2025-2027
 - Larger credit for the more carbon-negative the fuel is
 - Needs technical fixes to be more beneficial to RNG
- Section 48 Investment Tax Credit
 - Helps cover the cost to build or upgrade energy-related infrastructure.
- Section 30C Alternative Fuel Vehicle Refueling Property Credit
 - 30% up to \$100,000 per item






Budget Reconciliation

“One big beautiful bill”



What is Budget Reconciliation?

How it works

-  • Congress passes a budget resolution
-  • Committees write the actual legislation
-  • Simple majority vote in the Senate (51 votes)

Some Considerations

- A fast-track way for Congress to pass tax and spending laws
- Only works when 1 party has control – bypasses the Senate filibuster
- Provisions must comply with the Byrd Rule (i.e., budget impact only)



Budget Reconciliation

What could be in it?

- Tax Cut & Jobs Act extension
- Spending cuts
- Immigration reform
- Other tax proposals from President Trump such as no tax on tips, overtime, and Social Security

What are the challenges

- Really difficult math problem
- Lots of policy goals





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