

TaxNewsFlash

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Treasury and IRS release guidance on clean fuel production credit under section 45Z

The U.S. Department of the Treasury and the IRS today released guidance on the clean fuels production credit under section 45Z, which provides a tax credit for producing transportation fuels with lifecycle greenhouse gas emissions below certain levels. Effective in 2025, the credit applies to sustainable aviation fuel (SAF) and non-SAF transportation fuels.

The guidance includes a notice of intent to propose regulations ([Notice 2025-10](#)) and a notice providing the annual emissions rate table ([Notice 2025-11](#)), both of which include a request for public comments. The Department of Energy will release the 45ZCF-GREET model for use in determining emissions rates for the section 45Z in the coming days.

According to today's [Treasury release](#), the guidance outlines Treasury and the IRS' intent to define key concepts and provide certain rules in a future rulemaking, including:

- Clarifying who is eligible for a credit
- Clarifying what fuels are eligible for a credit
- Publishing rules needed to determine lifecycle emissions required to calculate the credit amount
- Outlining climate smart agriculture (CSA) practices

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