

119TH CONGRESS
1ST SESSION

H. R. 311

To amend the Internal Revenue Code of 1986 to repeal the alcohol fuels credit, the biodiesels fuel credit, the sustainable aviation fuel credit, the clean fuel production credit, the alcohol fuel, biodiesel, and alternative fuel mixtures credit, and other related provisions.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 9, 2025

Mr. PERRY (for himself, Mr. OGLES, and Mr. BURLISON) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to repeal the alcohol fuels credit, the biodiesels fuel credit, the sustainable aviation fuel credit, the clean fuel production credit, the alcohol fuel, biodiesel, and alternative fuel mixtures credit, and other related provisions.

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; REFERENCES.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Restoring Fuel Market Freedom Act of 2025”.

6 (b) AMENDMENT OF 1986 CODE.—Except as other-
7 wise expressly provided, whenever in this Act an amend-

1 ment or repeal is expressed in terms of an amendment
 2 to, or repeal of, a section or other provision, the reference
 3 shall be considered to be made to a section or other provi-
 4 sion of the Internal Revenue Code of 1986.

5 **SEC. 2. REPEAL OF ALCOHOL FUELS CREDIT.**

6 (a) IN GENERAL.—Subpart D of part IV of sub-
 7 chapter A of chapter 1 of subtitle A is amended by repeal-
 8 ing section 40 (and by striking the item relating to such
 9 section in the table of sections for such subpart).

10 (b) CONFORMING AMENDMENTS.—

11 (1) Section 25C(d)(3)(B) is amended by insert-
 12 ing “, as in effect on the day before the date of the
 13 enactment of the Restoring Fuel Market Freedom
 14 Act of 2025” after “section 40”.

15 (2) Section 38(b) is amended by striking para-
 16 graph (3).

17 (3) Section 40A is amended—

18 (A) in subsection (d)(1), by striking “40
 19 or” in the matter following subparagraph (B),
 20 and

21 (B) in subsection (f)(3), by striking “may
 22 be determined under section 40” and inserting
 23 “was allowable on the day before date of the en-
 24 actment of the Restoring Fuel Market Freedom
 25 Act of 2025 under section 40”.

1 (4) Section 87 is amended by striking para-
2 graph (1).

3 (5) Section 168(l)(2)(A) is amended by insert-
4 ing “as in effect on the day before the date of the
5 enactment of the Restoring Fuel Market Freedom
6 Act of 2025” after “section 40(b)(6)(E)”.

7 (6) Section 196(c) is amended by striking para-
8 graph (3).

9 (7) Section 4101(a)(1) is amended by striking
10 “every person producing or importing sustainable
11 aviation fuel (as defined in section 40B), and every
12 person producing second generation biofuel (as de-
13 fined in section 40(b)(6)(E))” and inserting “and
14 every person producing or importing sustainable
15 aviation fuel (as defined in section 40B)”.

16 (8) Section 4104(a)(1) is amended by striking
17 “, 40,”.

18 (9) Section 6426 is amended—

19 (A) in subsection (b)(2)(C), by striking
20 “described in section 40(h)(3)(B)” and all that
21 follows through “2007,” and inserting “, in
22 consultation with the Administrator of the En-
23 vironmental Protection Agency, that, with re-
24 spect to any taxable year, that an amount less
25 than 7,500,000,000 gallons of ethanol (includ-

1 ing cellulosic ethanol) has been produced in or
 2 imported into the United States in all preceding
 3 calendar years beginning after 2007,”

4 (B) in subsection (g), by inserting “as in
 5 effect on the day before the date of the enact-
 6 ment of the Restoring Fuel Market Freedom
 7 Act of 2025” after “section 40(c)”, and

8 (C) in subsection (h), by striking “section
 9 40, 40A,” and inserting “section 40A”.

10 (c) EFFECTIVE DATE.—The amendments made by
 11 this section shall apply to fuels produced after the date
 12 of the enactment of this section.

13 **SEC. 3. REPEAL OF BIODIESELS FUEL CREDIT.**

14 (a) IN GENERAL.—Subpart D of part IV of sub-
 15 chapter A of chapter 1 of subtitle A is amended by repeal-
 16 ing section 40A (and by striking the item relating to such
 17 section in the table of sections for such subpart).

18 (b) CONFORMING AMENDMENTS.—

19 (1) Section 25C(d)(3)(A) is further amended by
 20 inserting “, as in effect on the day before the date
 21 of the enactment of the Restoring Fuel Market
 22 Freedom Act of 2025” after “section 40A”.

23 (2) Section 30C(C)(1)(B)(ii)(I) is amended by
 24 inserting “(as in effect on the day before the date

1 of the enactment of the Restoring Fuel Market
2 Freedom Act of 2025)” after “section 40A(d)(1)”.

3 (3) Section 38(b) is further amended by strik-
4 ing paragraph (17).

5 (4) Section 87 (as amended by section 2) is
6 amended to read as follows:

7 **“SEC. 87. ALCOHOL AND BIODIESEL FUELS CREDITS.**

8 “Gross income includes the sustainable aviation fuel
9 credit determined with respect to the taxpayer for the tax-
10 able year under section 40B(a).”.

11 (5) Section 196(c) is further amended by strik-
12 ing paragraph (11).

13 (6) Section 4101(a)(1) is further amended by
14 striking “, every person producing or importing bio-
15 diesel (as defined in section 40A(d)(1))”.

16 (7) Section 4104(a)(1) is further amended—

17 (A) by striking “sections” and inserting
18 “section”, and

19 (B) by striking “and 40A,”.

20 (8) Section 6426 is further amended—

21 (A) in subsection (c)(5), by striking “also
22 used in section 40A shall have the meaning
23 given such term by section 40A” and inserting
24 “also used in section 40A (as in effect on the
25 day before the date of the enactment of the Re-

1 storing Fuel Market Freedom Act of 2025)
 2 shall have the meaning given such term by such
 3 section (as in effect on such date)”, and

4 (B) in subsection (h), by striking “40A
 5 or”.

6 (9) Section 7704(d)(1)(E) is amended by in-
 7 serting “, as in effect on the day before the date of
 8 the enactment of the Restoring Fuel Market Free-
 9 dom Act of 2025” after “40A(d)(1)”.

10 (c) EFFECTIVE DATE.—The amendments made by
 11 this section shall apply to fuels sold or used after the date
 12 of the enactment of this section.

13 **SEC. 4. REPEAL OF SUSTAINABLE AVIATION FUEL CREDIT.**

14 (a) IN GENERAL.—Subpart D of part IV of sub-
 15 chapter A of chapter 1 of subtitle A is amended by repeal-
 16 ing section 40B (and by striking the item relating to such
 17 section in the table of sections for such subpart.

18 (b) CONFORMING AMENDMENTS.—

19 (1) Section 38(b) is further amended by strik-
 20 ing paragraph (35).

21 (2) Part II of subchapter B of chapter 1 of sub-
 22 title A is amended by repealing section 87 (and by
 23 striking the item relating to such section in the table
 24 of sections for such part).

1 (3) Section 56(a) is amended by striking para-
2 graph (7).

3 (4) Section 4101(a)(1) is further amended by
4 striking “, every person producing or importing sus-
5 tainable aviation fuel (as defined in section 40B)”.

6 (5) Section 6426 is further amended—

7 (A) by striking subsection (h), and

8 (B) in subsection (k), by adding at the end
9 the following new paragraph:

10 “(4) REFERENCES TO SECTION 40B.—Each ref-
11 erence in this subsection to section 40B shall be
12 treated as a reference to such section as such section
13 was in effect on the day before the date of the enact-
14 ment of the Restoring Fuel Market Freedom Act of
15 2025.”.

16 (c) EFFECTIVE DATE.—The amendments made by
17 this section shall apply to fuel sold or used after the date
18 of the enactment of this section.

19 **SEC. 5. REPEAL OF CLEAN FUEL PRODUCTION CREDIT.**

20 (a) IN GENERAL.—Subpart D of part IV of sub-
21 chapter A of chapter 1 of subtitle A is amended by repeal-
22 ing section 45Z (and by striking the item relating to such
23 section in the table of sections for such subpart).

24 (b) CONFORMING AMENDMENTS.—

1 (1) Section 6417(b) is amended by striking
2 paragraph (9).

3 (2) Section 6418(f)(1)(A) is amended by strik-
4 ing clause (viii).

5 (3) Section 13704 of Public Law 117–169 is
6 amended by striking subsection (b).

7 (c) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to transportation fuels produced
9 after the date of the enactment of this section.

10 **SEC. 6. REPEAL OF ALCOHOL FUEL, BIODIESEL, AND AL-**
11 **TERNATIVE FUEL MIXTURES CREDIT.**

12 (a) IN GENERAL.—Subchapter B of chapter 65 of
13 subtitle F is amended by repealing section 6426 (and by
14 striking the item relating to such section in the table of
15 sections for such subchapter).

16 (b) CONFORMING AMENDMENTS.—

17 (1) Section 4101(a)(1) is further amended by
18 striking “or alcohol (as defined in section
19 6426(b)(4)(A))”.

20 (2) Section 4104(a)(2) is further amended by
21 striking “, 6426,”.

22 (3) Section 6427 is further amended

23 (4) Section 7704(d)(1)(E), as amended by sec-
24 tion 4(b)(7), is further amended by inserting “such
25 sections were” after “, as”.

1 (5) Section 9503(b)(1) is amended by striking
2 “credits under section 6426”.

3 (c) CLERICAL AMENDMENT.—The table of sections
4 for subchapter B of chapter 65 of subtitle F is amended
5 by striking the item relating to section 6426.

6 (d) EFFECTIVE DATE.—The amendments made by
7 this section shall apply to fuel used or sold after the date
8 of the enactment of this section.

9 **SEC. 7. REPEAL OF EXPIRED PROVISIONS RELATING TO**
10 **PAYMENTS FOR CERTAIN FUELS NOT USED**
11 **FOR TAXABLE PURPOSES.**

12 (a) IN GENERAL.—Section 6427 is amended by strik-
13 ing subsection (e).

14 (b) CONFORMING AMENDMENTS.—

15 (1) Section 40A(c) is amended by striking “or
16 6427(e)”.

17 (2) Section 40B(g) is amended by striking “or
18 6427(e)”.

19 (3) Section 4104(a)(2) is further amended by
20 striking “4041(b)(2), 6426, or 6427(e)” and insert-
21 ing “4041(b)(2) or 6426”.

22 (4) Section 6427(i) is amended by striking
23 paragraph (3).

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to fuel sold or used after the date
3 of the enactment of this section.

