

SABR Coalition Commends Reintroduction of Biodiesel Blenders Tax Credit in US House of Representatives

The biodiesel group and its members urge Congress to include the two-year BTC extension in the budget-reconciliation process.

JEFFERSON CITY, MO, UNITED STATES, May 2, 2025 /EINPresswire.com/ -- The Sustainable Advanced Biofuel Refiners (SABR) Coalition, representing 70 organizational members throughout the biodiesel value chain, applauds the reintroduction of a bill in the U.S. House of Representatives on May 1 to reinstate the \$1-per-gallon biodiesel blenders tax credit (BTC)—a much-needed boost for the biodiesel industry.

[HR 3137](#), introduced by Reps. Mike Carey, R-Ohio, and Mariannette Miller-

Meeks, R-Iowa, calls for retroactive reinstatement of the Section 40A biodiesel BTC, which expired Dec. 31, 2024. The bill would reinstate the BTC as of Jan. 1, 2025, through Dec. 31, 2026. While the Section 45Z production tax credit in the partisan Inflation Reduction Act (IRA) was viewed as a replacement for the BTC, the U.S. biodiesel industry has been in real trouble since last year, when the BTC sunset loomed and no implementing regulations on the 45Z credit were even proposed let alone finalized in the two-plus years since the IRA became law. This delay along with disadvantages the industry faces as a result of implementation of the Renewable Fuel Standard program have had significant adverse impacts on biodiesel producers, many of which are smaller facilities located in rural areas. Numerous plants have shut down, their workers laid off and assets lost.

“The expiration of the biodiesel blenders tax credit (40A) along with the lack of implementing regulations on Section 45Z have effectively shut the biodiesel industry down for all of 2025, with no end in sight,” said SABR Coalition CEO Joe Jobe. “This bill to extend 40A would turn the markets back on immediately because the implementing regulations for 40A are already in place





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*Joe Jobe, CEO, Sustainable
Advanced Biofuel Refiners
(SABR) Coalition*

and the markets understand them."

The Section 45Z credit as it currently stands is not the answer. The incentive favors sustainable aviation fuel (SAF) and renewable diesel over biodiesel. Many biodiesel producers will be fortunate to get a third of the value from the Section 45Z credit as they got from the BTC or be subject to significant red tape to potentially get a higher value. Meanwhile, some SAF producers may get up to \$1.75 a gallon from the new incentive. In addition, much

like European policies and California's Low Carbon Fuel Standard, the 45Z credit discriminates against ag-based feedstocks like soybeans grown by American farmers. This improper discrimination is based on the failed modeling theory of indirect land-use change, but 20 years of real-world data shows those predictions never came true.

The two-year BTC extension would provide time for Congress to fix fundamental flaws in the clean fuel production credit under Section 45Z and for the Trump administration to propose and finalize implementing regulations for the 45Z credit, which the previous administration had two and a-half years to do but didn't. The SABR Coalition and its members believe retroactive reinstatement of the \$1-per-gallon BTC, which has an anti-double-dipping provision allowing producers to claim either a credit under Section 40A or 45Z but not both, is critically necessary to not only revive the battered U.S. biodiesel industry, but to save it from extinction.

"The biodiesel industry is in a world of hurt," Jobe said. "It's not just the biodiesel industry that is largely shut down, but the entire value chain is shut down. Farmers can't sell their beans to crushers, who can't sell their soybean oil to biodiesel producers, who can't sell their fuel to distributors and byproduct to glycerin refiners. And those fuel distributors can't sell their fuel to truck-stop operators, and glycerin refiners can't sell their refined material to numerous, wide-ranging industries that rely on it for their products, including sewage treatment plants that use glycerin and enzymes in their water treatment processes. So, this doesn't just impact biodiesel producers—several separate industries are involved in the value chain, and they're all being devastated by the biodiesel industry being shut down by government inaction."

The SABR Coalition and its members are urging Congress to include the BTC extension marker bill in the budget-reconciliation process—the "big, beautiful bill." SABR [sent a letter](#) to the House and Senate majority and minority leaders, in addition to the chairs of the House ways and means committee and the Senate finance committee, along with the White House, explaining how imperative it is to reinstate the BTC to restore commerce up and down the biodiesel value chain—from farmers to crushers, biodiesel producers, glycerin refiners, fuel distributors, truck-stop operators and other important sectors of the American economy.

Groups endorsing the 40A extension bill include:

- American Trucking Associations (ATA).
- Clean Freight Coalition.
- Energy Marketers of America (EMA).
- Illinois Soybean Growers.
- National Association of Convenience Stores (NACS).
- National Energy & Fuels Institute (NEFI).
- National Tank Truck Carriers.
- NATSO, Representing America's Travel Centers and Truck Stops.
- Renewable Fuels Association (RFA).
- SIGMA: America's Leading Fuel Marketers.
- Sustainable Advanced Biofuel Refiners (SABR) Coalition.
- Truckload Carriers Association (TCA).

"Decades of public and private investment—including from the soybean checkoff—to build out the domestic biodiesel industry is at risk," said Ron Kindred, the chairman of Illinois Soybean Growers and a farmer from Atlanta, Illinois. "This legislation removes the uncertainty that is impacting everyone in the biodiesel value chain starting with soybean farmers, all the way down to distributors, retailers and consumers."

Cosponsors of the bill include Reps. Andrew Garbarino, R-New York; Dusty Johnson, R-South Dakota; Mike Kelly, R-Pennsylvania; Darin LaHood, R-Illinois; and Claudia Tenney, R-New York.

About the SABR Coalition

SABR is a coalition of stakeholders that have invested in building out America's first advanced biofuel—biodiesel. Biodiesel is the most cost-effective means to reduce greenhouse gas emissions from medium- and heavy-duty vehicles, providing numerous economic, environmental, performance and energy security benefits.

SABR represents every link in the biodiesel value chain from soybean farmers and processors to biodiesel producers, distributors, retailers and consumers, as well as infrastructure, product and service providers. For more information, please visit sabrcoalition.org.

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