



Sustainable Aviation Fuel Credit

Federal Agency: Department of the Treasury

IRA Statutory Location: 13203

Tax Code Location: 26 U.S. Code § 40B

Tax Provision Description: Provides a tax credit for the sale or use of sustainable aviation fuel (SAF) that achieves a lifecycle greenhouse gas emissions reduction of at least 50% as compared with petroleum-based jet fuel

Period of Availability: January 1, 2023-December 31, 2024

Tax Mechanism: Tax credit

New or Modified Provision: New

Eligible Recipients: Producers and blenders of SAF-kerosene fuel mixtures for aviation. Qualified SAF mixture must be made in the United States, and fueling of the aircraft must occur in the United States.

Tribal Eligibility: No

Base Credit Amount: \$1.25/gallon of SAF.

Bonus Credit Amount: Up to \$0.50/gallon depending on lifecycle greenhouse gas emissions of SAF relative to petroleum-based jet fuel.

Direct Pay Eligibility: No

Transferability: No

Stackability: Credit can be claimed against income tax or fuel excise tax. Credit included in gross income (similar to alcohol and biodiesel fuels credits).

Relevant Announcements: [Treasury, IRS issue guidance on new Sustainable Aviation Fuel Credit \(12/19/2022\)](#)