

TaxNewsFlash

United States



No. 2023-444
December 15, 2023

Notice 2024-6: Additional guidance on new sustainable aviation fuel credits

The U.S. Treasury Department and IRS today released [Notice 2024-6](#) [PDF 197 KB] providing additional guidance on the new sustainable aviation fuel (SAF) credits under sections 40B and 6426(k), created by H.R. 5376 (commonly called the “Inflation Reduction Act of 2022” (IRA)). The Treasury Department and IRS provided initial guidance on the new SAF credits in December 2022 in Notice 2023-6. Read [TaxNewsFlash](#)

As explained in the accompanying IRS release—[IR-2023-240](#) (December 15, 2023)—the SAF credit applies to a qualified fuel mixture containing sustainable aviation fuel for certain sales or uses in calendar years 2023 and 2024. The SAF credit is \$1.25 for each gallon of sustainable aviation fuel in a qualified mixture. To qualify for the credit, the sustainable aviation fuel must have a minimum reduction of 50% in lifecycle greenhouse gas emissions. Additionally, there is a supplemental credit of one cent for each percent that the reduction exceeds 50%, for a maximum increase of \$0.50.

The IRA provides two methods to determine the lifecycle greenhouse gas emissions reduction percentage that can be used to qualify for and calculate the credit. These are the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) method and any similar method that meets certain requirements of the Clean Air Act (CAA). Additionally, the IRA requires certain aspects of each method to be certified by an unrelated party.

Notice 2024-6 provides additional safe harbors using the Environmental Protection Agency's Renewable Fuel Standard (RFS) program and related guidance. The RFS program uses a methodology similar to CORSIA and meets the requirements of the CAA, and the safe harbors in the notice can be used to calculate the emissions reduction percentage and for the corresponding unrelated party certification for the SAF credit.

The notice also explains that the current Greenhouse gases, Regulated Emissions, and Energy use in Transportation (GREET) model of the Argonne National Laboratory and other GREET-based models do not currently satisfy the applicable statutory requirements for the SAF credit.

The notice announces that the Department of Energy (DOE) is collaborating with other federal agencies to develop a modified version of the GREET model that would satisfy the statutory requirements for the SAF credit. The agencies developing this modified GREET model currently anticipate its release in early 2024.

Finally, the notice provides a superseding Model Certificate for SAF Synthetic Blending Component that is required to file a claim for SAF credits for claims filed after December 15, 2023.

Read a related [Treasury release](#)

kpmg.com/socialmedia



The information contained in TaxNewsFlash is not intended to be "written advice concerning one or more Federal tax matters" subject to the requirements of section 10 37(a)(2) of Treasury Department Circular 230, as the content of this document is issued for general informational purposes only, is intended to enhance the reader's knowledge on the matters addressed therein, and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

KPMG International Limited is a private English company limited by guarantee and does not provide services to clients. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm.

Direct comments, including requests for subscriptions, to [Washington National Tax](#). For more information, contact KPMG's Federal Tax Legislative and Regulatory Services Group at +1 202.533.3712, 1801 K Street NW, Washington, DC 20006-1301.

To unsubscribe from TaxNewsFlash-United States, reply to [Washington National Tax](#).

[Privacy](#) | [Legal](#)