



TaxNewsFlash

United States

No. 2024-161
April 30, 2024

Notice 2024-37: Additional guidance and safe harbors for sustainable aviation fuel credit

The IRS today released [Notice 2024-37](#) providing additional guidance and safe harbors for 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 issued prior guidance regarding SAF credits in Notice 2023-6. Read [TaxNewsFlash](#)

Notice 2024-37 provides additional safe harbors for:

- The 40BSAF-GREET 2024 model as a qualifying method to calculate the emissions reduction percentage and for the corresponding unrelated party certification to qualify for SAF credits
- Use of the United States Department of Agriculture (USDA) Climate Smart Agriculture Pilot Program to further reduce the lifecycle greenhouse gas emissions reduction percentage calculated using 40BSAF-GREET 2024 for domestic soybean and domestic corn feedstocks and for certifying the related requirements

Read the related IRS release—[IR-2024-127](#) (April 30, 2024)

Read a related [Treasury release](#)

Background

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%.

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