

118TH CONGRESS  
1ST SESSION

# H. R. 2902

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.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 26, 2023

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

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## 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.**

4 This Act may be cited as the “Restoring Fuel Market  
5 Freedom Act of 2023”.

1 **SEC. 2. AMENDMENT OF 1986 CODE.**

2 Except as otherwise expressly provided, whenever in  
3 this Act an amendment or repeal is expressed in terms  
4 of an amendment to, or repeal of, a section or other provi-  
5 sion, the reference shall be considered to be made to a  
6 section or other provision of the Internal Revenue Code  
7 of 1986.

8 **SEC. 3. REPEAL OF ALCOHOL FUELS CREDIT.**

9 (a) IN GENERAL.—Section 40 is repealed.

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 2023” after “section 40”.

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

17 (3) Section 168(l)(2)(A) is amended by insert-  
18 ing “as in effect on the day before the date of the  
19 enactment of the Restoring Fuel Market Freedom  
20 Act of 2023” after “section 40(b)(6)(E)”.

21 (4) Section 196(e) is amended by striking para-  
22 graph (3).

23 (5) Section 4101(a)(1) is amended by striking  
24 “, and every person producing second generation  
25 biofuel (as defined in section 40(b)(6)(E))”.

1           (6) Section 4014(a)(1) is amended by striking  
2           “, 40,”.

3           (c) CLERICAL AMENDMENT.—The table of sections  
4 for subpart D of part IV of subchapter A of chapter 1  
5 of subtitle A is amended by striking the item relating to  
6 section 40.

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

10 **SEC. 4. REPEAL OF BIODIESELS FUEL CREDIT.**

11           (a) IN GENERAL.—Section 40A is repealed.

12           (b) CONFORMING AMENDMENTS.—

13                 (1) Section 25C(d)(3)(A) is further amended by  
14 inserting “, as in effect on the day before the date  
15 of the enactment of the Restoring Fuel Market  
16 Freedom Act of 2023” after “section 40A”.

17                 (2) Section 30C(C)(1)(B)(ii)(I) is amended by  
18 inserting “(as in effect on the day before the date  
19 of the enactment of the Restoring Fuel Market  
20 Freedom Act of 2023)” after “section 40A(d)(1)”.

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

23                 (4) Section 196(c) is further amended by strik-  
24 ing paragraph (11).

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

4           (6) Section 4104(a)(1) is further amended—

5                 (A) by striking “sections” and inserting  
6 “section”, and

7                 (B) by striking “and 40A,”.

8           (7) Section 7704(d)(1)(E) is amended by in-  
9 serting “, as in effect on the day before the date of  
10 the enactment of the Restoring Fuel Market Free-  
11 dom Act of 2023” after “40A(d)(1)”.

12           (c) CLERICAL AMENDMENT.—The table of sections  
13 for subpart D of part IV of subchapter A of chapter 1  
14 of subtitle A is amended by striking the item relating to  
15 section 40A.

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

19 **SEC. 5. REPEAL OF SUSTAINABLE AVIATION FUEL CREDIT.**

20           (a) IN GENERAL.—Section 40B is repealed.

21           (b) CONFORMING AMENDMENTS.—

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

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

4           (c) CLERICAL AMENDMENT.—The table of sections  
5 for subpart D of part IV of subchapter A of chapter 1  
6 of subtitle A is amended by striking the item relating to  
7 section 40.

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

11 **SEC. 6. REPEAL OF SPECIFIC INCLUSION OF ALCOHOL AND**  
12 **BIODIESEL FUEL CREDITS IN GROSS INCOME.**

13           (a) IN GENERAL.—Section 87 is repealed.

14           (b) CONFORMING AMENDMENTS.—Section 56(a) is  
15 amended by striking paragraph (7).

16           (c) CLERICAL AMENDMENT.—The table of sections  
17 for part II of subchapter B of chapter 1 of subtitle A is  
18 amended by striking the item relating to section 87.

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

22 **SEC. 7. REPEAL OF CLEAN FUEL PRODUCTION CREDIT.**

23           (a) IN GENERAL.—Section 45Z is repealed.

1 (b) CONFORMING AMENDMENTS.—Section 13704 of  
2 Public Law 117–169 is amended by striking subsection  
3 (b).

4 (c) CLERICAL AMENDMENT.—The table of sections  
5 for subpart D of part IV of subchapter A of chapter 1  
6 is amended by striking the item relating to section 45Z.

7 (d) 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. 8. REPEAL OF ALCOHOL FUEL, BIODIESEL, AND AL-**  
11 **TERNATIVE FUEL MIXTURES CREDIT.**

12 (a) IN GENERAL.—Section 6426 is repealed.

13 (b) CONFORMING AMENDMENTS.—

14 (1) Section 4101(a)(1) is further amended by  
15 striking “or alcohol (as defined in section  
16 6426(b)(4)(A))”.

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

19 (3) Section 7704(d)(1)(E), as amended by sec-  
20 tion 4(b)(7), is further amended by inserting “such  
21 sections were” after “, as”.

22 (4) Section 9503(b)(1) is amended by striking  
23 “credits under section 6426”.

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

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

7 **SEC. 9. REPEAL OF PAYMENTS FOR CERTAIN FUELS NOT**  
8 **USED FOR TAXABLE PURPOSES.**

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

11 (b) CONFORMING AMENDMENTS.—

12 (1) Section 34 is amended—

13 (A) in subsection (a), by inserting “and”  
14 after the comma at the end of paragraph (1),  
15 by striking “, and”, and inserting a period at  
16 the end of paragraph (2), and by striking para-  
17 graph (3), and

18 (B) in subsection (b)—

19 (i) by striking “or 6427,” and

20 (ii) by striking “or 6427(k)”.

21 (2) Section 4007(b) of the CARES Act (15  
22 U.S.C. 9046(b)) is amended to read as follows:

23 “(b) USE OF KEROSENE IN COMMERCIAL AVIA-  
24 TION.—In the case of kerosene used in commerial avia-  
25 tion (as defined in section 4083 of the Internal Revenue

1 Code of 1986) during the excise tax holiday period no tax  
2 shall be imposed on such kerosene under—

3 “(1) section 4041(c) of the Internal Revenue  
4 Code of 1986, or

5 “(2) section 4081 of such Code (other than at  
6 the rate provided in subsection (a)(2)(B) thereof).”.

7 (3) Section 4041 is further amended by adding  
8 at the end the following new subsection:

9 “(n) REFERENCES TO SECTION 6427.—Each ref-  
10 erence to section 6427 in this section shall be applied as  
11 such section was in effect on the date of the enactment  
12 of the Restoring Fuel Market Freedom Act of 2023.”.

13 (4) Section 4081(c) is amended by striking “(or  
14 with respect to which a credit or payment was al-  
15 lowed or made by reason of section 6427)”.

16 (5) Section 4082(d)(2) is amended to read as  
17 follows:

18 “(2) WHOLESALE DISTRIBUTORS.—To the ex-  
19 tent provided in regulations, subsection (a)(2) shall  
20 not apply to kerosene received by a wholesale dis-  
21 tributor of kerosene if such distributor is registered  
22 under section 4101 with respect to the tax imposed  
23 by section 4081 on kerosene.”.

24 (6) Section 4084 is amended by striking para-  
25 graph (3).



1           (7) Section 4041(a)(2) is further amended by  
2 striking “or 6427(e)”.

3           (8) Section 6206 is amended—

4                 (A) by striking “section 6420, 6421, or  
5 6427” and inserting “section 6420 or 6421”,

6                 (B) by striking “or 4081 (with respect to  
7 payments under section 6427)”,

8                 (C) by striking “section 6416(a)(4), 6420,  
9 6421, or 6427,” and inserting “section  
10 6416(a)(4), 6420, or 6421,”.

11           (9) Section 6416(a)(4)(C) is amended by insert-  
12 ing “(as such section was in effect on the date of the  
13 enactment of the Restoring Fuel Market Freedom  
14 Act of 2023)” after “section 6427(i)(4)”.

15           (10) Section 6421(d) is amended by striking  
16 paragraph (2).

17           (11) Section 6504(8) is amended by striking  
18 “section 6420, 6421, or 6427” and inserting “sec-  
19 tion 6420 or 6421”.

20           (12) Section 6675(b)(1) is amended by striking  
21 “section 6416(a)(4), 6420, 6421, or 6427,” and in-  
22 serting “section 6416(a)(4), 6420, or 6421,”.

23           (13) Section 7210 is amended by striking  
24 “6427(j)(2),”.

1           (14) Section 7603 is amended by striking  
2 “6427(j)(2),”.

3           (15) Section 7604 is amended by striking  
4 “6427(j)(2),” each place such term appears.

5           (16) Section 7605 is amended—

6                 (A) by striking “, 6427(j)(2)”, and

7                 (B) by striking “section 6420(e)(2),  
8 6421(g)(2), or 6427(j)(2)” and inserting “sec-  
9 tion 6420(e)(2) or 6421(g)(2)”.

10           (17) Section 7609 is amended by striking  
11 “6427(j)(2),”.

12           (18) Section 7610 is amended by striking  
13 “6427(j)(2),”.

14           (19) Section 9502(d) is amended—

15                 (A) in paragraph (2), by striking “, 6421  
16 (relating to amounts paid in respect of gasoline  
17 used for certain nonhighway purposes), or 6427  
18 (relating to fuels not used for taxable purposes)  
19 (other than subsection (l)(4) thereof)” and in-  
20 serting “or 6421 (relating to amounts paid in  
21 respect of gasoline used for certain nonhighway  
22 purposes)”, and

23                 (B) in paragraph (3), by striking “(other  
24 than payments made by reason of paragraph  
25 (4) of section 6427(l))”.

1           (20) Section 9503(c) is amended by striking  
2 paragraph (5).

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

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