

## Part III - Administrative, Procedural, and Miscellaneous

### Sustainable Aviation Fuel Credit; 40BSAF-GREET 2024

Notice 2024-74

#### **SECTION 1. PURPOSE**

This notice provides additional guidance regarding the sustainable aviation fuel (SAF) credits under §§ 40B and 6426(k) of the Internal Revenue Code (collectively, SAF credit or SAF credits).<sup>1</sup> Specifically, this notice instructs taxpayers using the 40BSAF-GREET 2024 model with respect to claims that relate to the sale or use of a SAF qualified mixture on or after October 18, 2024 to use the October 2024 version of the 40BSAF-GREET 2024 model and accompanying user manual for purposes of Notice 2024-37, 2024-21 I.R.B. 1191. The Department of the Treasury (Treasury Department) and the Internal Revenue Service (IRS) developed the guidance in this notice in consultation with the Department of Energy (DOE).

#### **SECTION 2. BACKGROUND**

Sections 40B and 6426(k) generally allow a SAF credit for producing and then selling or using a SAF qualified mixture. Under § 40B(d)(1)(D), the SAF must be certified to have a lifecycle greenhouse gas emissions reduction percentage of at least 50 percent. Section 40B(e) defines the term “lifecycle greenhouse gas emissions

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<sup>1</sup> Unless otherwise specified, all references to “section” or “§” are references to sections of the Internal Revenue Code.

reduction percentage” to mean, with respect to any SAF, the percentage reduction in lifecycle greenhouse gas emissions achieved by such fuel, as compared with petroleum-based jet fuel, as defined in accordance with (1) the most recent Carbon Offsetting and Reduction Scheme for International Aviation that has been adopted by the International Civil Aviation Organization with the agreement of the United States or (2) any similar methodology that satisfies the criteria under § 211(o)(1)(H) of the Clean Air Act (42 U.S.C. 7545(o)(1)(H)), as in effect on August 16, 2022.

The Treasury Department and IRS have issued several notices regarding the SAF credit, including Notice 2024-37,<sup>2</sup> which allows a SAF producer to use the 40BSAF-GREET 2024 model, released April 30, 2024 (April 2024 version), to calculate the greenhouse gas emissions reduction percentage for purposes of the SAF credits.

The DOE has released an updated version of the 40BSAF-GREET 2024 model and accompanying user manual. This updated version of the 40BSAF-GREET 2024 model, released October 18, 2024 (October 2024 version), addresses a calculation issue in the April 2024 version related to catalyst inputs for the Alcohol to Jet (ATJ) SAF pathways. This calculation issue relates to the proportion of catalyst used to produce certain amounts of SAF for which the April 2024 version does not account, resulting in inaccurate estimates of the emissions associated with the catalyst input. The October 2024 version changes the calculation of the ATJ SAF pathways by lowering the emissions associated with the catalyst input. This is the only change made by the October 2024 version.

All publicly available versions of the 40BSAF-GREET 2024 model, the

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<sup>2</sup> Notice 2023-6, 2023-2 I.R.B. 328 and Notice 2024-6, 2024-2 I.R.B. 34 also address the SAF credits.

accompanying user manual, additional information including Frequently Asked Questions, and a log of changes to the model are available at

<https://www.energy.gov/eere/greet>.

### **SECTION 3. 40BSAF-GREET 2024 SAFE HARBORS IN NOTICE 2024-37**

A taxpayer using a 40BSAF-GREET 2024 safe harbor described in sections 3.01(3) and 4.01(2) of Notice 2024-37 to calculate its emissions reduction percentage with respect to claims that relate to the sale or use of a SAF qualified mixture on or after October 18, 2024, must use the October 2024 version of the 40BSAF-GREET 2024 model.

### **SECTION 4. EFFECTIVE DATE OF THIS NOTICE**

The guidance in this notice is effective on October 18, 2024.

### **SECTION 5. EFFECT ON OTHER DOCUMENTS**

Sections 3.01(3) and 4.01(2) of Notice 2024-37 are amplified.

### **SECTION 6. DRAFTING INFORMATION**

The principal author of this notice is Camille Edwards Bennehoff of the Office of the Associate Chief Counsel (Passthroughs & Special Industries). For further information regarding this notice, please contact Ms. Edwards Bennehoff at (202) 317-6855 (not a toll-free call).