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Fuel Retailers Press for Simpler Tax Policy Before Biofuels Collapse: “Time to Bring Back Biofuel Policies that Address Affordability”

ALEXANDRIA, VA — NATSO, representing truck stops and travel plazas, SIGMA: America’s Leading Fuel Marketers, and the National Association of Convenience Stores (NACS) expressed serious concern with the “Section 45Z” Clean Fuel Production Credit.

The U.S. Treasury Department was tasked with writing guidelines that would create a viable regulatory framework for ‘45Z’ and bolster the flailing U.S. biofuels market. But years of regulatory reviews, public comments, copious stakeholder input, and Congressional reevaluation, can’t alter the fact that ‘45Z’ is a giant step backward for American biofuel policy. NACS, NATSO, and SIGMA, which represent 90 percent of retail fuel sales, urge Congress and the Administration to support simpler biofuel policies that would quickly reinvigorate biodiesel consumption and higher ethanol blends while enhancing the economy and energy market security.

“As Americans are navigating affordability challenges, now would be a great time to reinstate a tax policy that actually lowers the price consumers pay at the pump. Although the Treasury Department has done its best to make lemonade out of lemons, ‘45Z’ simply will not lower fuel prices,” said David Fialkov, Executive Vice President of Government Affairs for NATSO and SIGMA. “To add insult to injury, today’s proposed rule will not even improve demand for biofuels, nor will it generate meaningful support for American farmers by increasing demand for corn or soybeans.

“45Z doesn’t help farmers and it doesn’t help consumers,” Fialkov continued. “It is past time for lawmakers and regulators to acknowledge that ‘45Z’ is too complicated and flawed and it should be replaced with simpler tax incentives that lower fuel prices and support American farmers. How much longer should farmers be expected to wait before ‘45Z’ begins delivering benefits for them? We simply can’t afford to continue walking down this path when better, simpler solutions exist.”

“The transition away from the Biodiesel Tax Credit to the ‘45Z’ production credit instituted a catastrophic decline in biofuels consumption that hurts the economy,” said NACS Deputy General Counsel Matt Durand. “The Trump Administration inherited this unworkable mess. Congress can fix it by bringing back the Biodiesel Tax Credit, which has a proven track record of delivering lower prices to consumers while benefitting farmers and biofuel producers.”

NATSO, SIGMA and NACS urge the Administration to pursue more meaningful and measurable biofuel policies — such as reinstating the Biodiesel Tax Credit — that can quickly revive biodiesel consumption and mitigate the damage caused by ‘45Z’ while enhancing the economy and energy market security.

In 2025, biodiesel consumption plummeted to 960 million gallons through the end of October from more than 2 billion gallons in 2024. Newly released Environmental Protection Agency data underscores the continued downward spiral of domestic biofuel consumption. Tradable credits known as Renewable Identification Numbers used to demonstrate compliance with the Renewable Fuel

Standard dropped 22 percent for biodiesel in 2025 compared with the prior year. Ethanol RINs also declined, further highlighting that ‘45Z’ is not providing support for farmers.

Today’s proposal from Treasury underscores the need to reinstate the Biodiesel Tax Credit, which is more robust and transparent within the fuel value chain, allowing fuel retailers to pass meaningful savings along to consumers.

NATSO, SIGMA and NACS look forward to working with the Administration and Congress on biofuel policies aimed at advancing the U.S. fuel supply and U.S. energy markets for the benefit of American consumers.

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About NATSO, SIGMA, and NACS

NATSO is the trade association representing America’s travel center and truck stop industry. Founded in 1960, NATSO represents the industry on legislative and regulatory matters; serves as the official source of information on the diverse travel center, truck stop and off-highway fuel retail industries; provides education to its members; conducts an annual convention and trade show; and supports efforts to generally improve the business climate in which its members operate. For more information visit NATSO.com. Follow NATSO on [Facebook](#); [Instagram](#); [LinkedIn](#); and [X](#). Contact: [Tiffany Wlazlowski Neuman](#), Vice President, Public Affairs. 202-365-9459

SIGMA is the national trade association representing the most successful, progressive, and innovative fuel marketers and chain retailers in the United States and Canada. Founded in 1958 as the Society of Independent Gasoline Marketers of America (SIGMA), SIGMA has become a fixture in the motor fuel marketing industry. Representing a diverse membership of approximately 250 independent chain retailers and marketers of motor fuel, the association serves to further the interests of both the branded and unbranded segment of the industry while providing information and services to members. For more information visit SIGMA.org.

NACS For more than 60 years, NACS has been recognized as the premiere association for convenience and fuel retailers. NACS has more than 1,000 retail member companies that cumulatively represent more than 200,000 stores in 50-plus countries, including 90,000 stores in the United States alone. The U.S. convenience store industry, with more than 152,000 stores nationwide selling fuel, food and merchandise, conducts 160 million transactions daily and had sales of \$837 billion in 2024. For more information, visit [convenience.org](#). Follow NACS on [LinkedIn](#), [Twitter](#), [Facebook](#) and [Instagram](#).