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(Original Signature of Member)

119TH CONGRESS
1ST SESSION

H. R. _____

To amend the Internal Revenue Code of 1986 to establish a tax credit
for the production of aviation gasoline that is free of tetra-ethyl-lead.

Mr. ROBERT GARCIA of California introduced the following bill; which was
referred to the Committee on _____

A BILL

To amend the Internal Revenue Code of 1986 to establish
a tax credit for the production of aviation gasoline that
is free of tetra-ethyl-lead.

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 “Cutting Lead Exposure
5 and Aviation Relief Skies Act” or the “CLEAR Skies
6 Act”.

1 **SEC. 2. AVIATION GASOLINE PRODUCTION CREDIT.**

2 (a) IN GENERAL.—Subpart D of part IV of sub-
3 chapter A of chapter 1 of the Internal Revenue Code of
4 1986 is amended by adding at the end the following new
5 section:

6 **“SEC. 45BB. AVIATION GASOLINE PRODUCTION CREDIT.**

7 “(a) AMOUNT OF CREDIT.—

8 “(1) IN GENERAL.—For purposes of section 38,
9 the aviation gasoline production credit determined
10 under this section for the taxable year is an amount
11 equal to the product of—

12 “(A) the number of gallons of qualified
13 aviation gasoline produced by the taxpayer and
14 sold by the taxpayer in the manner described in
15 paragraph (5) during the taxable year, multi-
16 plied by

17 “(B) the applicable amount with respect to
18 such gasoline.

19 “(2) APPLICABLE AMOUNT.—The applicable
20 amount under this paragraph is equal to—

21 “(A) in the case of qualified aviation gaso-
22 line sold during calendar year 2026, \$1.25,

23 “(B) in the case of qualified aviation gaso-
24 line sold during calendar year 2027, \$1.20,

25 “(C) in the case of qualified aviation gaso-
26 line sold during calendar year 2028, \$1.15,

1 “(D) in the case of qualified aviation gaso-
2 line sold during calendar year 2029, \$1.10, and

3 “(E) in the case of qualified aviation gaso-
4 line sold during calendar year 2030, \$1.05.

5 “(3) QUALIFIED AVIATION GASOLINE.—For
6 purposes of this section, the term ‘qualified aviation
7 gasoline’ means aviation gasoline—

8 “(A) which is—

9 “(i) defined in section 436.101 of title
10 10, Code of Federal Regulations,

11 “(ii) free from tetra-ethyl-lead, and

12 “(iii) produced by the taxpayer in the
13 United States,

14 “(B) which meets the requirements of any
15 aviation fuel standards promulgated pursuant
16 to section 44714 of title 49, United States
17 Code, and

18 “(C) the transfer of which to the fuel tank
19 of an aircraft occurs in the United States.

20 “(4) SALE.—For purposes of paragraph (1),
21 the qualified aviation gasoline is sold in a manner
22 described in this paragraph if such gasoline is sold
23 by the taxpayer to an unrelated person—

24 “(A) for use by such person in a trade or
25 business, or

1 “(B) who sells such fuel at retail to an-
2 other person and places such fuel in the fuel
3 tank of such other person.

4 “(b) REGISTRATION OF QUALIFIED AVIATION GASO-
5 LINE PRODUCERS.—No credit shall be allowed under this
6 section with respect to any aviation gasoline unless the
7 producer of such fuel—

8 “(1) is registered with the Secretary under sec-
9 tion 4101, and

10 “(2) provides certification (in such form or
11 manner as the Secretary shall prescribe after con-
12 sultation with the Secretary of Transportation) dem-
13 onstrating that such gasoline is qualified aviation
14 gasoline.

15 “(c) REGULATIONS AND GUIDANCE.—Not later than
16 180 days after the date of the enactment of this section,
17 the Secretary shall, after consultation with the Secretary
18 of Transportation, prescribe such regulations and guid-
19 ance as are necessary to carry out the purposes of this
20 section.

21 “(d) TERMINATION.—This section shall not apply to
22 any sale after December 31, 2030.”.

23 (b) CREDIT MADE PART OF GENERAL BUSINESS
24 CREDIT.— Section 38(b) of such Code is amended by
25 striking “plus” at the end of paragraph (40), by striking

1 the period at the end of paragraph (41) and inserting “,
2 plus”, and by inserting after paragraph (41) the following
3 new paragraph:

4 “(42) the aviation gasoline production credit
5 determined under section 45BB.”.

6 (c) CERTIFICATION OF PRODUCERS.—Section
7 4101(a)(1) of such Code is amended by striking “and
8 every person producing second generation biofuel (as de-
9 fined in section 40(b)(6)(E))” and inserting “every person
10 producing second generation biofuel (as defined in section
11 40(b)(6)(E)), and every person producing qualified avia-
12 tion gasoline (as defined in section 45BB(a)(4))”.

13 (d) QUALIFIED AVIATION GASOLINE TAXED AS AVIA-
14 TION GASOLINE.—Section 4081(a)(2)(A)(ii) of such Code
15 is amended by inserting “(including qualified aviation gas-
16 oline as defined in section 45BB(a)(4))” after “aviation
17 gasoline”.

18 (e) CLERICAL AMENDMENT.—The table of sections
19 for subpart D of subchapter A of chapter 1 of such Code
20 is amended by inserting after the item relating to section
21 45AA the following new item:

“Sec. 45BB. Aviation gasoline credit.”.

22 (f) EFFECTIVE DATE.—The amendments made by
23 this section shall apply to fuel sold or used after December
24 31, 2025.

1 **SEC. 3. GAO STUDY.**

2 (a) STUDY.—The Comptroller General of the United
3 States shall carry out a study relating to the price of un-
4 leaded aviation gas, including—

5 (1) the price differential of leaded aviation gas
6 at the consumer point of sale as compared with un-
7 leaded aviation gas, including unleaded aviation gas
8 at different octane levels,

9 (2) the major drivers of the price differential
10 between leaded and unleaded gas, including research
11 and development, refining, transportation and deliv-
12 ery and storage,

13 (3) whether the aviation gasoline credit under
14 section 45BB of the Internal Revenue Code of 1986
15 (as added by section 1) results in cost savings that
16 are passed along to the end-user consumer,

17 (4) recommendations, if any, for changes to
18 such credit to ensure the highest amount of cost sav-
19 ings is passed along to the end-user consumer, and

20 (5) the amount and percentage of unleaded
21 aviation gas in the overall aviation gas market and
22 future market projections for such amount and per-
23 centage.

24 (b) REPORT.—Not later than one year after the date
25 of the enactment of this Act, the Comptroller General of
26 the United States shall issue a report to Congress describ-

- 1 ing the findings and determinations made in carrying out
- 2 the study required under subsection (a).