



# UNITED STATES SENATE

# COMMITTEE ON FINANCE

## WORKING FAMILIES TAX CUTS

### POWERING AMERICAN ENERGY

On July 4, 2025, President Trump signed the **Working Families Tax Cuts** into law. This legislation not only prevented the largest tax hike in history, but it also restored and made permanent critical pro-growth tax provisions that are already increasing domestic investment and boosting economic growth. Moreover, by prioritizing **America-first energy policies**, the law will help the energy industry reduce its reliance on Chinese supply chains and provide cheap, abundant power to households and businesses.

#### *Clean Fuel Production Credit*

- Strengthens and extends the Section 45Z Clean Fuel Production Tax Credit through 2029, **securing domestic biofuel supply chains and supporting farmers**.
- **New foreign feedstock restrictions support American energy dominance** by limiting credit eligibility to fuels made from feedstocks grown in the United States, Canada and Mexico, enabling U.S. farmers to compete against cheap overseas imports, including from China.

#### *Nuclear Energy Communities Bonus Credit*

- Creates a new 10 percent bonus credit within the existing Section 45Y Clean Electricity Production Tax Credit for advanced nuclear facilities located in **nuclear energy communities**.
- Nuclear energy communities are metropolitan statistical areas (MSAs) that currently or historically have had a significant nuclear energy workforce, including jobs related to nuclear energy generation, manufacturing and mining.
- The new bonus credit encourages **reinvestment in U.S. communities** with existing or recently shuttered nuclear energy infrastructure, **supporting America's nuclear workforce and expanding access to affordable, reliable energy**.

#### *Prohibited Foreign Entity Restrictions*

- **Prevents the flow of taxpayer dollars to China** and other foreign adversaries by imposing new prohibited foreign entity restrictions on Biden-era clean energy tax credits.
- New restrictions combat overreliance on Chinese supply chains for critical minerals and advanced technologies, **supporting American leadership in energy production and manufacturing**.

**America-first energy policies are unleashing domestic energy production.** According to the [U.S. Energy Information Administration](#), Americans are paying approximately \$2.80 per gallon on average for gasoline in January 2026, the lowest level in nearly five years.