



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.