

MIKE CRAPO, IDAHO, CHAIRMAN

CHUCK GRASSLEY, IOWA
JOHN CORNYN, TEXAS
JOHN THUNE, SOUTH DAKOTA
TIM SCOTT, SOUTH CAROLINA
BILL CASSIDY, LOUISIANA
JAMES LANKFORD, OKLAHOMA
STEVE DAINES, MONTANA
TODD YOUNG, INDIANA
JOHN BARRASSO, WYOMING
RON JOHNSON, WISCONSIN
THOM TILLIS, NORTH CAROLINA
MARSHA BLACKBURN, TENNESSEE
ROGER MARSHALL, KANSAS

RON WYDEN, OREGON
MARIA CANTWELL, WASHINGTON
MICHAEL F. BENNET, COLORADO
MARK R. WARNER, VIRGINIA
SHELDON WHITEHOUSE, RHODE ISLAND
MAGGIE HASSAN, NEW HAMPSHIRE
CATHERINE CORTEZ MASTO, NEVADA
ELIZABETH WARREN, MASSACHUSETTS
BERNARD SANDERS, VERMONT
TINA SMITH, MINNESOTA
BEN RAY LUJÁN, NEW MEXICO
RAPHAEL G. WARNOCK, GEORGIA
PETER WELCH, VERMONT

United States Senate

COMMITTEE ON FINANCE

WASHINGTON, DC 20510-6200

GREGG RICHARD, STAFF DIRECTOR
JOSHUA SHEINKMAN, DEMOCRATIC STAFF DIRECTOR

April 16, 2026

Mr. Jack A. Fusco
President and Chief Executive Officer
Cheniere Energy, Inc.
845 Texas Ave Ste. 1250
Houston, TX 77002

Dear Mr. Fusco:

As Ranking Member of the Senate Finance Committee, I write to request more information about the recent disclosure by Cheniere Energy, Inc. (Cheniere) that it reaped a \$370 million windfall after the Internal Revenue Service (IRS) accepted its novel and highly questionable tax position. The information I request in this letter will aid my ongoing oversight of IRS operations.

Public information about Cheniere's operations raises serious doubts about Cheniere's eligibility for the Section 6426 credit that it claimed for its use of liquified natural gas (LNG). Cheniere revealed in an SEC filing that its "use of LNG as transport fuel in our operations enabled us to claim federal alternative fuel excise tax credits totaling \$370 million for the period spanning from 2018 to 2024."¹ The alternative fuel tax credit that Cheniere claimed is for alternative fuel mixtures in "motorboats."² "Motorboat" is defined elsewhere in Federal Regulations as a vessel "65 feet in length or less."³ LNG carriers are closer to one thousand feet in length, and the "alternative fuel" that Cheniere's carriers were powered by was reportedly LNG boiloff that would have been wasted if it were not used to power the carriers.⁴

If Cheniere's carriers are in fact "motorboats," then the Titanic was a dinghy. The position Cheniere took that resulted in this \$370 million windfall – which comes at taxpayer expense – appears to distort decades' worth of tax law beyond its widely understood meaning and application. For the IRS to have blessed that position is extremely troubling, especially given that

¹ Cheniere Energy, Inc., Annual Report (Form 10-K) (Feb. 26, 2026), <https://www.sec.gov/Archives/edgar/data/3570/000000357026000005/lng-20251231.htm>.

² 26 U.S.C. § 6426(d)(1).

³ 46 C.F.R. § 90.10-23 (2025).

⁴ Fossil fuel giant wins \$370 million tax break for burning gas as an 'alternative fuel', Wash. Post (Feb. 27, 2026), <https://www.washingtonpost.com/business/2026/02/27/cheniere-trump-irs-alternative-fuel/>.

Cheniere was among the oil and gas companies then-candidate Trump promised to give a free hand in rulemaking if he was reelected president.⁵

Cheniere reports that earlier this year the IRS “issued a closing letter to us indicating completion of their review, confirming our eligibility and issuing final cash payment.”⁶ The discrepancy between the apparent merits of Cheniere’s claims and the conclusions of the IRS review raises serious questions about the IRS’s administration of the Internal Revenue Code (IRC), and specifically Section 6426.

To better understand the IRS’s administration of the IRC, I ask that you respond to the questions below as soon as possible, but no later than May 1, 2026.

- 1) Please provide a copy of the closing letter issued to Cheniere by the IRS following its review of Cheniere’s Section 6426 alternative fuel tax credit claim.
- 2) Please list each carrier that Cheniere considered a “motorboat” for purposes of determining alternative fuel tax credit eligibility. For each carrier, please also list each of the below and how each impacts the claim for the credit:
 - a. the length of the carrier;
 - b. the displacement of the carrier; and,
 - c. the approximate cost of the carrier.
- 3) For each carrier that Cheniere considered eligible for an alternative fuel tax credit, please explain if Cheniere, as part of its normal operations, loaded alternative fuel that otherwise would not have been loaded onto the carrier, solely for the purposes of powering the carrier. If so, please explain the type and amount of alternative fuel and how this was calculated.
- 4) Please detail Cheniere’s fuel excise tax payments under Section 4041. Please be explicit if Cheniere’s position is that these Section 6426 alternative fuel credits were allowed without tax imposed by Section 4041.
- 5) Please explain how \$370 million in alternative fuel credits was calculated for the periods 2018 to 2024, and any supporting documentation for those amounts. Please provide this credit information broken down by each carrier.
- 6) Cheniere’s financial statements reference inherent uncertainties in claiming the alternative fuel credit.⁷ Please share any memoranda, communications, analyses, or other materials regarding the eligibility of the fuel used in carriers for the relevant alternative fuel tax credits. Please provide any materials regarding the inherent uncertainties that they accounted for under ASC 450.

⁵ At a Dinner, Trump Assailed Climate Rules and Asked \$1 Billion from Big Oil, New York Times (May 9, 2024), <https://www.nytimes.com/2024/05/09/climate/trump-oil-gas-mar-a-lago.html>.

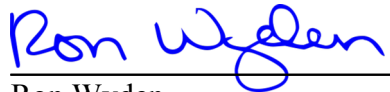
⁶ Cheniere Energy, Inc., Annual Report (Form 10-K) (Feb. 26, 2026), <https://www.sec.gov/Archives/edgar/data/3570/000000357026000005/lng-20251231.htm>.

⁷ Cheniere Energy, Inc., Annual Report (Form 10-K) (Feb. 26, 2026), <https://www.sec.gov/Archives/edgar/data/3570/000000357026000005/lng-20251231.htm>.

- 7) Did Cheniere reference its Section 6426 alternative fuel tax credit claims in any SEC filings prior to its 10-K for the 2025 fiscal year? If so, please cite the references. If not, please explain why the tax credit claims were not referenced earlier.

If you have any questions, you may contact my Senate Finance Committee oversight staff at 202-224-4515. Thank you for your prompt attention to this important matter.

Sincerely,



Ron Wyden
United States Senator
Ranking Member, Committee
on Finance