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BIOMASS

M A G A Z I N E

Legislation would extend biofuel, bioenergy tax credits

By [Erin Voegele](#) | September 23, 2014

Legislation introduced in the U.S. House of Representatives on Sept. 19 aims to extend several clean energy tax incentives. The bill, titled the Bridge to a Clean Energy Future Act of 2014, or H.R. 5559, was introduced by Reps. Earl Blumenauer, D-Ore., and Dave Loebsack, D-Iowa and referred to the House Committee on Ways and Means. To date, 16 additional members of Congress have signed on to cosponsor the measure.

"I'm eager to push this across the finish line this Congress," said Blumenauer, noting that making sure clean energy sources are on an even playing field with the fossil fuel industry is essential to lowering carbon emissions, creating a cleaner environment, and creating good, non-exportable American jobs.

Information released by Blumenauer's office indicates the bill would extend several tax credits that benefit the biofuel and bioenergy industries.

The bill would extend the 30 percent investment take credit for alternative vehicle refueling property, up to \$30,000, for two years, through 2015. Eligible refueling property includes fuel pumps for ethanol, biodiesel, hydrogen, and compressed or liquefied natural gas.

The second generation biofuel producer credit would also be extended. Under current law, facilities producing cellulosic biofuel can claim a \$1.01 per gallon production tax credit on fuel produced before the end of 2013. The bill would extend the tax credit for an additional two years, for cellulosic biofuel produced through 2015.

The \$1.00 per gallon tax credit for biodiesel and renewable diesel would be extended for two years, through 2015, along with the 10 cent-per-gallon producer credit for small agri-biodiesel producers. In addition, the \$1.00 per gallon tax credit for diesel fuel created from biomass would also be extended.

The Section 45 renewable energy production tax credit would also be extended by the bill. The current credit allows taxpayers to claim a 2.3 cent per kilowatt hour tax credit for renewable electricity produced for a 10-year period from a facility that commenced construction by the end of 2013. Alternatively, the taxpayer can elect to take a 30 percent investment tax credit instead of the production tax credit. The credit applies to several types of renewable energy projects, including wind, closed-loop biomass, open-loop biomass, geothermal energy, solar energy, municipal solid waste, and others. The legislation would extend these provisions through Dec. 31, 2016.



23 September 2014



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The special allowance for second generation biofuel plant property would be extended for two years. Under current law, facilities producing cellulosic biofuel can expense 50 percent of their eligible capital costs in the first year for facilities placed in service by the end of 2013. That provision would be extended to apply to facilities placed in service before the end of 2015.

The bill extends through 2015 the 50-cent-per-gallon alternative fuel tax credit and alternative fuel mixture tax credit. The credit can be claimed as a nonrefundable excise tax credit or a refundable income tax credit for the blending and sale of alternative fuel mixtures, including ethanol, biofuels, compressed or liquefied natural gas, and liquefied hydrogen.

The bill would extend additional tax credit provisions related to energy efficiency improvements, electric vehicles, Indian coal, fuel cell motor vehicles and several others.

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