



House votes to extend biodiesel tax - Will Senate do the same?

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Washington, Dec. 9 – Extending the biodiesel tax credit (along with a grab-bag of some 50 other industry and individual tax provisions) moved a major step toward enactment when the House voted 241-181 on Wednesday to pass H.R. 4213, the Tax Extenders Act of 2009. That bill includes extending the biodiesel tax incentive through December 31, 2010. Now the tax bill's fate rests with the Senate.

The American Soybean Association (ASA) immediately welcomed the House vote. "Biodiesel has provided a significant market opportunity for U.S. soybean farmers, as well as jobs and economic development for rural communities, and ASA is proud of its role in establishing the U.S. biodiesel industry," said ASA President Rob Joslin, a soybean producer from Sidney, Ohio. "Biodiesel is one of the cleanest burning biofuels currently used in commercial markets. Biodiesel is a renewable and sustainable energy source that can play a significant role in our national efforts to increase our energy security and improve our environmental footprint. The biodiesel industry is creating valuable green jobs and making a positive contribution to the economy."

Unless the Senate follows the House lead, the biodiesel tax incentive will expire Dec. 31 and, ASA says, "production will cease if the tax incentive is not extended." Along with other industries and the research community, ASA warns that the uncertainty over annual one-year renewals of important tax credits undermines investment and costs jobs.

"At this point, it remains unclear when, or if, the U.S. Senate will address tax extenders legislation before the end of the year," Joslin said. "I strongly encourage all soybean farmers to contact their senators directly, both via phone and email, to explain the need for the Senate to extend the biodiesel tax incentive before the end of year."

To press the issue with senators, ASA leaders will participate in a biodiesel industry lobbying drive to support a Senate vote to extend the biodiesel tax incentive. ASA participants in the lobbying effort include ASA First Vice President Alan Kemper, a soybean producer from Lafayette, Indiana; ASA representative to the National Biodiesel Board Darryl Brinkman, a soybean producer from Carlyle, Illinois; and ASA Board member Bob Henry, a producer from Robinson, Kansas who serves as ASA's alternate to the National Biodiesel Board. These ASA leaders will join with farmers from state

soybean associations, livestock producers, biodiesel producers, and others in the biodiesel industry to push for prompt Senate action.

Along with the biodiesel provision, the Tax Extenders Act provides tax breaks covering research and experimentation (R&E) tax credits, benefits for investment in economically distressed areas, college tuition deduction and deduction for classroom expenses, and property tax breaks for homeowners who don't itemize deductions on their federal income tax returns.

Responding to Republicans opposed to extending the tax breaks, House Speaker Nancy Pelosi (D-CA) said following the vote that "This legislation is good for businesses, good for homeowners, and good for our communities. The bill extends research and development tax credits for American companies, encouraging them to invest in innovation and clean energy, and create the high-tech jobs of the 21st century. It provides property tax relief to 30 million families, ensures our men and women called to serve overseas do not face a pay cut here at home, and offers some security for millions of parents, teachers, and consumers by extending deductions for college tuition, classroom expenses, and state and local sales taxes."

House Republicans charged that the Tax Extenders Act pays for the package of tax breaks through "a permanent tax increase of \$24.6 billion on capital investment." Pelosi countered that "Maintaining our commitment to fiscal discipline, this legislation will not add to the deficit. The costs of this proposal are fully paid for because we put an end to the preferential tax treatment for hedge fund managers and investment bankers and cracked down on offshore tax havens."

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