



Biodiesel Board welcomes Senate vote to reactivate biodiesel tax break

By Agri-Pulse Staff

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Washington, March 10 – The National Biodiesel Board (NBB) praised the U.S. Senate Wednesday for passing H.R. 4213, the “American Workers, State, and Business Relief Act of 2010” by a 62 to 36 margin. Among its provisions, the legislation provides a one year retroactive extension of the biodiesel tax incentive.

“The domestic biodiesel industry is pleased that that the Senate has approved a retroactive extension of the biodiesel tax incentive,” noted Manning Feraci, NBB Vice President of Federal Affairs. “The lapse in the biodiesel tax credit has been extremely disruptive to the domestic biodiesel industry, and a retroactive extension of this worthwhile incentive will help America realize the job creation, energy security and environmental benefits associated with biodiesel.”

The biodiesel tax incentive has played a critical role in allowing the U.S. to achieve commercial scale production of biodiesel, an advanced biofuel that meets a commercial fuel specification and is used to displace petroleum diesel fuel. This incentive is designed to make biodiesel price competitive with conventional diesel fuel, and is structured in a manner that allows the value of the incentive to be recognized immediately in the market price of the biodiesel. Since the lapse in the tax credit, the U.S. biodiesel industry has seen a dramatic drop in demand and production, leading to additional job losses in this difficult economy. The 23,000 jobs currently supported by the U.S. biodiesel industry are in jeopardy if the incentive continues to lapse.

With passage of H.R. 4213, the House and Senate must reconcile the differences between the two versions of the bill approved by the respective chambers. Both bills include a one-year retroactive extension of the biodiesel tax incentive.

“The NBB strongly encourages House and Senate to work quickly and get legislation retroactively extending the biodiesel incentive to the President’s desk for signature. Quick action will allow the nation to again reap the substantial benefits associated with a healthy domestic biodiesel industry,” Feraci concluded.

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#30