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U.S. Biodiesel Leaders Visit with Lawmakers *Lapse of the Biodiesel Tax Incentive Would Kill U.S. Production*

WASHINGTON, D.C. – Members of the National Biodiesel Board (NBB), the trade association for the U.S. biodiesel industry, today called on lawmakers to extend and reform the biodiesel tax incentive.

“The biodiesel tax incentive is working. Since its enactment in 2004, U.S. biodiesel production has reached commercial scale, and the nation has realized the job creation, environmental and energy security benefits that come with the expanded production and use of biodiesel,” stated Manning Feraci, NBB’s Vice President of Federal Affairs. “These benefits will simply be lost if the credit lapses.”

The \$1 per gallon biodiesel tax incentive encourages the use of biodiesel by making the fuel price competitive with petroleum diesel fuel in the marketplace. The incentive is currently set to expire on December 31, 2009. Absent the biodiesel tax incentive, the use of biodiesel in the marketplace will be cost prohibitive, and the domestic production and use of biodiesel will cease.

During visits with lawmakers, biodiesel industry leaders expressed strong support for S. 1589, *the Biodiesel Tax Incentive Reform and Extension of Act*, introduced by Senator Maria Cantwell (D-WA) and Senator Charles Grassley (R-IA), and H.R. 4070, companion legislation introduced by Representative Earl Pomeroy (D-ND) and Representative John Shimkus (R-IL). This legislation would reform the biodiesel tax incentive by changing the current blenders excise tax credit to a production excise tax credit. This will improve administration of the incentive, eliminate potential abuses and improve tax compliance. The proposals would also extend the biodiesel tax incentive for five years, providing the certainty entrepreneurs need to create jobs and expand the use of biodiesel.

“Biodiesel use is consistent with a policy that values the creation of green jobs and expanded use of low carbon fuels. The tax incentive plays an integral role in achieving these goals, and it is vitally important that Congress extend this worthwhile, effective incentive,” concluded Feraci.

The NBB is the national trade association of the biodiesel industry and is the coordinating body for biodiesel research and development in the U.S. NBB’s membership is comprised of biodiesel producers and marketers, state, national, and international feedstock and feedstock processor organizations, and technology providers.

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