

EXTENSION OF THE BIODIESEL BLENDERS TAX CREDIT

The Petroleum Marketers Association of America (PMAA) and the New England Fuel Institute (NEFI) represent nearly all of the home heating fuels sold in America and our members market clean and efficient BioHeat®. **We urge Congress to expedite a one-year extension to the \$1 per gallon federal biodiesel blenders' tax credit which expired at the end of 2009 and make it retroactive.**

BIODIESEL -- IMPORTANT TO HEATING FUELS INDUSTRY

Many of our members market biodiesel at wholesale and retail to meet growing U.S. consumer demand. In order to maintain consumer demand as well as incentives for continued investments in biodiesel production, transportation and retailer infrastructure and storage, immediate renewal of the biodiesel blender's tax credit is essential.

Renewal of the tax credit is also vital for the U.S. heating oil industry to expand BioHeat® as well as transitioning towards an ultra-low sulfur diesel (ULSD) component in our nation's heating oil supply. The industry supports Congressional, regional and state government goals to increase domestic energy and environmental security, including a reduction to imported petroleum and nation-wide greenhouse gas emissions. However, federal policies that support the biodiesel industry, such as the \$1 per gallon tax credit, are needed in order to help facilitate this transition and continued consumer interest in biodiesel in the motor and heating fuel markets.

BIODIESEL TAX EXTENDERS LEGISLATION

The House approved a one year extension of the \$1 per gallon credit in December 2009, as well as the ten cents per gallon production credit for small producers, as part of the Tax Extenders Act of 2009, H.R.4213. The House approved the bill 241-181. The Senate passed Jobs bill II, the "American Workers, State and Business Relief Act," as a substitute amendment to H.R. 4213 by a vote of 62 – 36 in March 2010. Included in Jobs bill II is the vital one year extension of the \$1 per gallon biodiesel blender's tax credit. The credit will also be available retroactively for biodiesel produced during the credit's lapse. Since the House and Senate used different offsets, they must reconcile differences which they intend to do by Memorial Day recess.

"THE ASK"

PMAA and NEFI urge Congress to act immediately and finalize a one year retroactive extension of the \$1 per gallon biodiesel blenders' credit in order to ensure the future of the biodiesel industry and the future of a renewable fuel for home heating.

PMAA STAFF CONTACTS: Sherri Cabrera, scabrera@pmaa.org
Rob Underwood, runderwood@pmaa.org

NEFI STAFF CONTACT: Jim Collura, jimcollura@nefi.com