

Biodiesel Tax Incentives

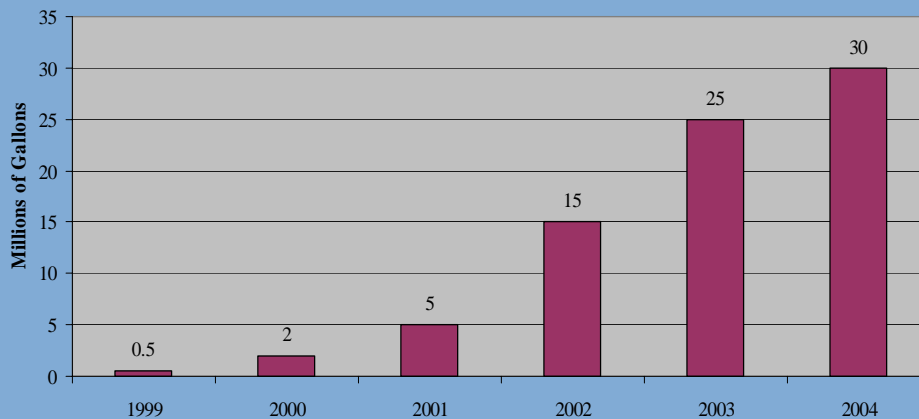
Southeast Biofuels Workshop

Gatlinburg, TN

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Current Production Trends



Source: National Biodiesel Board



IRS GUIDANCE

The IRS has published a guidance document related to the federal tax incentive for biodiesel.

That document is IRS Notice 2005-04 on Excise Tax Provisions Added to Tax Code or Affected by American Jobs Creation Act.

Go to **www.biodiesel.org** to access it and click on “Tax Incentive Information” link.



Tax Incentives

Two-tier incentive structure:

- Tier 1: \$1/gallon; applies to Agri-biodiesel, i.e. virgin vegetable and animal oils
- Tier 2: 50¢/gallon; applies to spent recycled cooking oils known as “yellow grease”



Tax Incentives

- Benefits accrue to the blender
- May file quarterly
- Blenders must use IRS Form 720 to claim excise tax credit
- Must use IRS Form 8849 to file claims in excess of excise taxes



Tax Incentives

- Biodiesel Producer and Blender Registration
- IRS Form 637
- IRS preparing Activity Letters
- Certificate for Biodiesel



Tax Incentives

- Dyed diesel
- Heating oil
- B100



For further information

- East Tennessee Clean Fuels Coalition
-- <http://www.etcfc.org>
- Clean Cities
– <http://www.eere.energy.gov/cleancities/>
- Alternative Fuels Data Center
– <http://www.eere.energy.gov/afdc/>
- National Biodiesel Board
– <http://www.biodiesel.org/>
- To read the text of H.R. 4520 – The American Jobs Creation Act (108th Congress)
– <http://thomas.loc.gov/>



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