



NEWS

FOR IMMEDIATE RELEASE

March 15, 2006

ASA and NBB Applaud Legislation to Extend Biodiesel Tax Incentive

Senators Grassley and Baucus introduce bill to offer tax incentive through 2010

ST. LOUIS, Mo. – The National Biodiesel Board (NBB) and American Soybean Association (ASA) praised today Senate Finance Committee Chairman Chuck Grassley (R-IA) and Ranking Member Max Baucus (D-MT) for introducing legislation to extend the biodiesel tax incentive. The Grassley/Baucus bill, S. 2401, extends popular alternative energy tax incentives, such as the biodiesel excise and income tax incentive for biodiesel and biodiesel blends. It also gives a one-year extension until 2010 to a tax credit for the cost of installing pumps that offer a 20 percent blend of biodiesel (B20).

Last year, NBB and ASA achieved their Number 1 legislative goal when the landmark Energy Bill extended the biodiesel tax incentive to 2008. “We are pleased to again see bipartisan Congressional support for biodiesel,” said ASA President Bob Metz, a soybean producer from West Browns Valley, S.D. “Senator Grassley and Baucus are building on the success of the biodiesel tax incentives to help soybean farmers and rural economies as well as America’s energy security and environment.”

Darryl Brinkmann, chairman of NBB and a soybean producer from Carlyle, Ill., said that biodiesel and soybean leaders have already seen the results of the biodiesel tax incentive. Last year, U.S. biodiesel production tripled to 75 million gallons last year. “Passage of the tax incentive gave the biodiesel industry the confidence to grow as we work to keep up with the skyrocketing demand for biodiesel,” Brinkmann said. “Consumers across the nation have benefited because the biodiesel tax incentive has helped make biodiesel more cost competitive.”

By amending the Internal Revenue Code of 1986, the Grassley/Baucus bill would:

Biodiesel and Alternative Fuel Excise Tax Credit: Extend the biodiesel excise and income tax credit for biodiesel and biodiesel blends until December 31, 2010. The credit was originally established as part of the American JOBS Creation Act of 2004 (H.R. 4520), which President Bush signed into law in October 2004. The credit was extended from 2006 until 2008 when President Bush signed the Energy Bill on August 8, 2005. The excise tax credit amounts to a penny per percentage point of biodiesel blended with petroleum diesel for “agri-biodiesel,” such as that made from soybean oil, and a half-penny per percentage for biodiesel made from other sources, like recycled cooking oil. It lowers the cost of biodiesel to consumers in taxable and tax exempt markets.

Credit for Refueling Property: Extend for one-year a 30 percent tax credit, enacted in the Energy Policy Act of 2005, for the cost of installing clean-fuel vehicle refueling property. Clean fuels include biodiesel blends of 20 percent or more as well as ethanol and hydrogen. Biodiesel has become America’s fastest growing alternative fuel according to the Department of

(more)

Energy. More than 600 filling stations make biodiesel available to the public, and 1,500 petroleum distributors carry it nationwide. More than 600 fleets use biodiesel, including government and military, commercial and school bus fleets.

Based in Jefferson City, Mo., NBB is a nonprofit trade association coordinating the industry and educating the public about biodiesel. ASA serves as the collective policy voice of 25,000 U.S. soybean producers on national issues important to all U.S. soybean farmers.

#

For more information contact:

Bob Metz, ASA President, 605/880-1552, bobmetz@prtcl.com

Bob Callanan, ASA Communications Director, 314/576-1770, bcallanan@soy.org

Access this release at www.SoyGrowers.com/newsroom/news.htm.

NBB Jenna Higgins/NBB (800) 841-5849 (573) 694-5218 (c)

More information about the National Biodiesel Board can be found at www.biodiesel.org.