



ABO PRIORITY: ALGAE TAX PARITY

The Issue

The cellulosic biofuel producer tax credit allows a cellulosic biofuel producer that is registered with the Internal Revenue Service (IRS) to be eligible for a tax credit of up to \$1.01 per gallon of cellulosic biofuel produced to be used as fuel. The definition of eligible biofuels does not include those derived from algae.

ABO' s Position

ABO advocates for the inclusion of algae-derived fuels under the cellulosic biofuel producer tax credit.

While ABO supports the biofuel producer tax credit, we believe that it should be amended to include algae. Because the biofuel tax credit was enacted in 2005, the legislation did not take into account the potential impact of non-cellulosic fuels such as those derived from algae.

Fuel produced with algae-derived oil is “drop in” fuel; it has a chemical composition which allows it to be *blended* with gasoline, diesel, or jet fuel without damage or corrosion to the current infrastructure (motors, pipes, etc.). Algae does not compete with food for land as it is grown with brackish water on marginal land not suitable for agricultural use. As an added benefit, algae consumes CO₂ and nitrogen as it grows.

There is great optimism about the potential for algae-derived fuels to be a significant driver in reducing America's fossil fuel imports.

Action Requested

We are asking senators to support S. Amdt. 1723, which would amend S. 1813, the Moving Ahead for Progress in the 21st Century Act (“MAP-21”) to provide tax parity for algae-based biofuels.

ABO also requests that you co-sponsor the Algae Fuel Parity Act (H.R. 1149) or Algae-Based Renewable Fuel Promotion Act of 2011 (S. 748).

HR 1149

The Algae Fuel Parity Act

Sponsor: Congressman Brian Bilbray (R-CA) (12 cosponsors: 5 Republican; 7 Democrat)

Purpose: Provides Tax Parity for Algae-Based Biofuel and Includes Algae-Based Biofuel in the Renewable Fuel Program

S. 748

Algae-Based Renewable Fuel Promotion Act of 2011

Sponsor: Senator Bill Nelson (D-FL) (2 cosponsors)

Purpose: Provides Tax Parity for Algae-Based Biofuel

