



Ethanol Industry Tax Reform Priorities

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The U.S. ethanol industry supports restructuring the U.S. tax code to reduce regulatory burden but wants a tax reform bill to treat the industry equitably with other sectors.

As Congress embarks on an effort to reform the U.S. tax code, the U.S. ethanol industry has a few priorities for Congress to consider during this process:

1. Ensure that business partnerships and pass-through entities get treated equitably.

A vast majority of the U.S. ethanol industry are business partnerships taxed as a limited liability company (LLC). A reformed U.S. tax

code must treat this group of businesses equitably to other business tax structures.

2. Expand master limited partnership (MLP) tax structure to include renewable energy like biofuels.

This tax structure would allow biofuel companies another business structure to better attract investment capital because it would allow them to access different pools

of investment. It would also level the playing field with conventional energy sources like petroleum that can currently access and utilize this type of tax structure.

3. Extend biofuel tax incentives.

The ethanol industry supports extending the second-generation biofuel producer credit and the accompanying depreciation allowance, a biodiesel tax incentive, and a tax incentive for refueling infrastructure. The industry also

supports efforts to consolidate biofuel-specific credits and make them payable based upon environmental performance as they are done in the Clean Energy for America Act (S. 1068).