



Action Alert

Action Alert **From the American Soybean Association**

Dear ASA Members & Supporters:

As you may know, the biodiesel tax incentive is set to expire on December 31, 2009. The tax incentive is vital to the U.S. biodiesel industry and its extension is a top priority for ASA. If the biodiesel tax incentive is allowed to expire, the production and use of biodiesel in the U.S. will come to a halt. The economics of biodiesel at this stage will simply not work absent the federal tax incentive. As we approach the end of the year, it is still unclear when, or if, Congress will act on tax legislation that addresses the biodiesel tax incentive.

Senator Maria Cantwell (D-WA) and Senator Charles Grassley (R-IA) have introduced S. 1589, *the Biodiesel Tax Incentive Reform and Extension Act of 2009*. This bill would extend the credit for five years and restructure it as a production excise tax credit. A strong show of support for this legislation is necessary if we are going to successfully extend the biodiesel tax incentive. Thus, it is vital that you contact your Senators today and ask them to add their name as a cosponsor of S. 1589.

Senator Dick Durbin (D-IL) has already agreed to co-sponsor the bill. ASA members in Illinois are encouraged to contact Durbin's office to thank him for his support of this top ASA priority.

Below is a message that we have provided for use in contacting your Senators to urge their support and co-sponsorship of S. 1589.

[Click here to find your Senators' contact information.](#)

Dear Senator _____:

As a soybean farmer and member of the American Soybean Association (ASA), I want to urge your support and co-sponsorship of S. 1589, the Biodiesel Tax Incentive Reform and Extension Act of 2009, introduced by Senators Cantwell and Grassley.

Extension of the biodiesel tax incentive is a top priority for ASA. Biodiesel has provided a significant market opportunity for U.S. soybean farmers, as well as jobs and economic development for rural communities. As you know, biodiesel is one of the cleanest burning biofuels currently used in commercial markets. Biodiesel is a renewable and sustainable

energy source that can play a significant role in our national efforts to increase our energy security and improve our environmental footprint. The biodiesel industry is creating valuable green jobs and making a positive contribution to the economy. In 2008 alone, the U.S. biodiesel industry supported over 51,000 jobs, added over \$4 billion to the nation's Gross Domestic Product (GDP) and generated over \$866 million in tax revenue for federal, state and local governments.

The biodiesel tax incentive is currently set to expire on **December 31, 2009** and production will cease if the tax incentive is not extended. A multiple year extension of the incentive is needed to provide certainty and stability in the marketplace. In addition, ASA supports reforming the biodiesel tax incentive by shifting the current blenders excise tax credit to a production excise tax credit. This reform will improve administration of the incentive, eliminate potential abuses and improve tax compliance.

Again, I urge you to cosponsor S. 1589 and actively seek extension of the biodiesel tax credit before it expires at the end of the year. Thank you for your consideration.

