



The Honorable Kevin Brady  
Chairman  
Committee on Ways and Means  
United States House of Representatives  
1102 Longworth HOB  
Washington D.C. 20515

The Honorable Orrin Hatch  
Chairman  
Committee on Finance  
United States Senate  
219 Dirksen Senate Office Building  
Washington D.C. 20510

Chairmen Brady and Hatch:

On behalf of the members of the American Coalition for Ethanol (ACE), I write today to urge the Conference Committee to extend the Cellulosic Biofuel Tax Credit and Biodiesel Tax Credit as part of the Tax Cuts and Jobs Act. Extension of these provisions is critically important and consistent with the stated purposes of the tax bill of “growing our economy, bringing jobs back to our local communities, increasing paychecks for our workers, and making sure Americans are able to keep more of the money they earn.”

The nation’s biofuel sector generates \$184.5 billion in annual output, supports 852,000 jobs, pays \$46 billion in wages, remits \$14.5 billion in taxes, and saves taxpayers about \$10 billion per year by reducing the need for farm program payments. Thanks to the Renewable Fuel Standard (RFS), thousands of high-skill, high-wage jobs have been created across rural America and farmers have a vital market for their crops.

Unfortunately, the growth of cellulosic and advanced biofuels will be constrained under the 2018 RFS blending volumes. To make matters worse, the tax treatment between biofuel and fossil fuel incentives is heavily skewed towards oil and is further hindering the production and use of cellulosic and advanced biofuels. Oil companies continue to benefit from taxpayer subsidies that often exceed \$4 billion per year, with certain oil tax benefits perpetually set in the tax code since 1913. In comparison, incentives for renewable fuels have been left to expire time and again. The on-again, off-again nature of renewable fuel tax incentives has not only needlessly slowed the expansion of biofuel production, it impedes growth, job creation, and economic prosperity in rural communities.

One of the most important things the Conference Committee could do to support the existing biofuel sector and help spur its continued growth would be to extend the Cellulosic Biofuel Tax Credit and Biodiesel Tax Credit in the final bill. Thank you for your time and attention to this important matter.

Sincerely,

Brian Jennings, Chief Executive Officer  
American Coalition for Ethanol