



Federal Legislation Update

More exciting news at the federal level regarding alternative fuels. On December 18th, President Obama signed the 2016 Omnibus Appropriations bill. This Act authorizes an extension for many alternative fuel and renewable energy tax credits. Included in the Act are a number of alternative fuels provisions:

Alternative Fuel Excise Tax Credits Renewed for 2015 and Extended Through December 31, 2016

Section 182. Extension of credit for alternative fuel vehicle refueling property. The provision extends through 2016 the credit for the installation of non-hydrogen alternative fuel vehicle refueling property. (Under current law, hydrogen-related property is eligible for the credit through 2016.) Taxpayers are allowed a credit of up to 30 percent of the cost of the installation of the qualified alternative fuel vehicle refueling property.

Section 183. Extension of credit for 2-wheeled plug-in electric vehicles. The provision extends through 2016 the 10-percent credit for plug-in electric motorcycles and 2-wheeled vehicles (capped at \$2,500).

Section 184. Extension of second generation biofuel producer credit. The provision extends through 2016 the credit for cellulosic biofuels producers.

Section 185. Extension of biodiesel and renewable diesel incentives. The provision extends through 2016 the existing \$1.00 per gallon tax credit for biodiesel and biodiesel mixtures, and the small agri-biodiesel producer credit of 10 cents per gallon. The provision also extends through 2016 the \$1.00 per gallon production tax credit for diesel fuel created from biomass. The provision extends through 2016 the fuel excise tax credit for biodiesel mixtures.

Section 189. Extension of special allowance for second generation biofuel plant property. The provision extends through 2016 the 50-percent bonus depreciation for cellulosic biofuel facilities.



Section 192. Extension of excise tax credits relating to alternative fuels. The provision extends through 2016 the 50 cents per gallon alternative fuel tax credit and alternative fuel mixture tax credit.

Section 193. Extension of credit for new qualified fuel cell motor vehicles. The provision extends through 2016 the credit for purchases of new qualified fuel cell motor vehicles. The provision allows a credit of between \$4,000 and \$40,000 depending on the weight of the vehicle for the purchase of such vehicles.

LNG and LPG Excise Tax Credit Equalization

Section 342. Excise tax credit equivalency for liquefied petroleum gas and liquefied natural gas. The provision converts the measurement of the alternative fuel excise tax credit for liquefied natural gas and liquefied petroleum gas from 50 cents per gallon to 50 cents per energy equivalent of a gallon of diesel fuel, which is approximately 29 cents per gallon for liquefied natural gas and approximately 36 cents per gallon for liquefied petroleum gas. The provision is effective for fuel sold or used after 2015.

You can find the text of the bill and the associated Amendments (The Protecting Americans from Tax Hikes Act of 2015) by clicking <https://rules.house.gov/bill/114/hr-2029-sa>.

For more information on alternative fuels, please contact Matthew Wade, Deputy Director of Virginia Clean Cities at mwade@vacleancities.org.