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Congress of the United States
House of Representatives
Washington, DC 20515-1313

April 18, 2018

COMMITTEE ON AGRICULTURE
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SUBCOMMITTEE ON
HIGHWAYS AND TRANSIT
SUBCOMMITTEE ON
WATER RESOURCES AND ENVIRONMENT

The Honorable Vern Buchanan
Chairman
Committee on Ways and Means
Subcommittee on Tax Policy
1102 Longworth House Office Building
Washington, DC 20515

The Honorable Lloyd Doggett
Ranking Member
Committee on Ways and Means
Subcommittee on Tax Policy
1139E Longworth House Office Building
Washington, DC 20515

Dear Chairman Buchanan and Ranking Member Doggett:

I write in support of making the biodiesel tax credit permanent. This tax credit helps us grow and produce a great renewable energy source that diversifies our transportation fuel sources, enhances U.S. energy security, and promotes economic development throughout rural America.

The biodiesel tax credit has stimulated growth across the biofuels industry, while helping biodiesel become the leading advanced biofuel in the nation. In 2005, the U.S. biodiesel market was at 100 million gallons. Since implementing the biodiesel tax credit, that number has grown substantially to 2.9 billion gallons in 2016.

Unfortunately, in recent years industry has relied on retroactive extensions of this tax policy. The purpose of this credit is to incentivize behavior, and achieving permanence would better achieve that goal.

The biodiesel industry already supports 64,000 jobs, creates \$11.42 billion in economic activity, and pays \$2.54 billion in wages. In rural communities across America, such as my district in Illinois, biodiesel plants are a driving force of the local economy, supporting the employment of technicians, plant operators, engineers, construction workers, truck drivers, and of course farmers.

Biodiesel is also good for the environment. According to the EPA, biodiesel use reduces greenhouse gas emissions by 57 to 86 percent when compared to traditional petroleum diesel.

In addition, this year, we expect farm incomes to be at their lowest since 2006. Our rural and agricultural communities need to be able to plan for the future. It is therefore as important as ever for Congress to provide our farmers and our biodiesel producers certainty by making the biodiesel tax credit permanent.

Thank you for your consideration.

Sincerely,



Rodney Davis
Member of Congress

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