

## Tax Credits for Alternative Fuels

Fuel Type	Eligible Dates	Credit Amount	Requirements	Phase-Out/ Termination	Point of Contact
Alternative Fuel Mixture Excise Tax Credit	N/A	Tax credit of \$0.50 per gallon of alternative fuel	<ol style="list-style-type: none"> <li>1) The alternative fuel blender must be registered with the IRS.</li> <li>2) Mixture must contain at least 0.1% of gasoline, diesel, or kerosene.</li> <li>3) Qualified fuels: compressed natural gas, liquified natural gas, liquified petroleum gas, P-Series fuel, liquid fuel derived from coal, and gas derived from biomass.</li> <li>4) Incentive must be first taken as a credit against the blender's alternative fuel tax liability.</li> </ol>	December 31, 2011	Excise Tax Branch U.S. IRS Office of Chief Council Phone: (202)622-3130 <a href="http://www.irs.gov/">http://www.irs.gov/</a>
Volumetric Ethanol Excise Tax Credit (VEETC)	N/A	Tax credit of \$0.45 per gallon of pure ethanol blended with gasoline	<ol style="list-style-type: none"> <li>1) Ethanol blender must be registered with the IRS to be eligible.</li> <li>2) Ethanol must be pure with a minimum of 190 proof.</li> <li>3) Only entities that have produced and sold or used the qualified mixture as a fuel in their trade or business are eligible for the tax credit.</li> <li>4) Tax credit must first be taken as a credit against the blender's fuel tax liability.</li> </ol>	December 31, 2011	Excise Tax Branch U.S. IRS Office of Chief Council Phone: (202)622-3130 <a href="http://www.irs.gov/">http://www.irs.gov/</a>
Hydrogen Fuel Excise Tax Credit	N/A	Tax credit of \$0.50 per gallon for liquified hydrogen	<ol style="list-style-type: none"> <li>1) Fuel must be sold for use or used by a motor vehicle.</li> <li>2) To become eligible, entities must be liable for reporting and paying the federal excise tax on the sale or use of the fuel in a motor vehicle.</li> <li>3) Tax exempt entities that such as stat and local governments that dispense qualified fuel from an on-site station qualify for the incentive.</li> <li>4) Eligible entities must be registered with the IRS.</li> <li>5) The incentive must first be taken as a credit against the entity's alternative fuel tax liability.</li> </ol>	September 30, 2014	Excise Tax Branch U.S. IRS Office of Chief Council Phone: (202)622-3130 <a href="http://www.irs.gov/">http://www.irs.gov/</a>
Small Ethanol Producer Tax Credit	N/A	Tax credit of \$0.10 per gallon of ethanol to produce a fuel mixture	<ol style="list-style-type: none"> <li>1) Must be registered with the IRS.</li> <li>2) Ethanol must be either be sold and used by the purchaser in the purchaser's trade or business to produce an ethanol fuel mixture,</li> <li>3) Or sold and used by the purchaser as a fuel in a trade or business,</li> <li>4) Or sold at retail for use as a motor vehicle fuel,</li> <li>5) Or used by the producer in a trade or business to produce an ethanol fuel mixture,</li> <li>6) Or used by the producer as a fuel in a trade or business.</li> <li>7) Small producer has no more than 60 million gallons of productive capacity of any type of alcohol.</li> <li>8) Credit applies to the first 15 million gallons of ethanol produced.</li> </ol>	December 31, 2011	Excise Tax Branch U.S. IRS Office of Chief Council Phone: (202)622-3130 <a href="http://www.irs.gov/">http://www.irs.gov/</a>
Biodiesel Mixture Excise Tax Credit	N/A	Tax credit of \$1.00 per gallon of pure biodiesel, agri-biodiesel, or a renewable diesel blend	<ol style="list-style-type: none"> <li>1) Must have produced and sold or used the qualified biodiesel mixture as a fuel in trade or business.</li> <li>2) Product must be confirmed and properly registered as a fuel with the U.S. EPA.</li> <li>3) Conformation that the product meets the requirements of ASTM specification D6751 must be provided.</li> </ol>	December 31, 2011	Excise Tax Branch U.S. IRS Office of Chief Council Phone: (202)622-3130 <a href="http://www.irs.gov/">http://www.irs.gov/</a>
Biodiesel Income Tax Credit	N/A	Tax credit of \$1.00 per gallon of pure biodiesel, agri-biodiesel, or a renewable diesel blend	<ol style="list-style-type: none"> <li>1) Taxpayer must deliver pure, unblended biodiesel (B100) into the tank of a vehicle or uses B100 as an on-road fuel in their trade or business.</li> <li>2) If the biodiesel was sold at retail, only the person that sold the fuel and placed it into the tank of the vehicle is eligible.</li> <li>3) Product must be confirmed and properly registered as a fuel with the U.S. EPA.</li> <li>4) Conformation that the product meets the requirements of ASTM specification D6751 must be provided.</li> </ol>	December 31, 2011	Excise Tax Branch U.S. IRS Office of Chief Council Phone: (202)622-3130 <a href="http://www.irs.gov/">http://www.irs.gov/</a>
Cellulosic Biofuel Producer Tax Credit	January 1, 2009 - December 31, 2012	Tax credit up to \$1.01 per gallon of cellulosic biofuel	<ol style="list-style-type: none"> <li>1) Producer must be registered with the IRS.</li> <li>2) Biofuel must be sold and used by the purchaser in the purchaser's trade or business to produce a cellulosic biofuel mixture,</li> <li>3) Or sold and used by the purchaser as a fuel in a trade or business,</li> <li>4) Or sold at retail for use as a motor vehicle fuel,</li> <li>5) Or used by the producer as a fuel in a trade or business.</li> </ol>	December 31, 2012	Excise Tax Branch U.S. IRS Office of Chief Council Phone: (202)622-3130 <a href="http://www.irs.gov/">http://www.irs.gov/</a>