

HOUSE No.

The Commonwealth of Massachusetts

PRESENTED BY:

Bradley H. Jones, Jr.

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying bill:

An Act relative to biofuel feedstock tax incentives.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Bradley H. Jones, Jr.	20th Middlesex
George N. Peterson, Jr.	9th Worcester
Viriato Manuel deMacedo	1st Plymouth
Elizabeth Poirier	14th Bristol

The Commonwealth of Massachusetts

In the Year Two Thousand and Nine

AN ACT RELATIVE TO BIOFUEL FEEDSTOCK TAX INCENTIVES.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

- 1 SECTION 1. Section 6 of chapter 62 of the General Laws, as most recently amended by chapter
2 312 of the Acts of 2008, is hereby amended by adding the following new subsection:-
- 3 (p)(1) As used in this subsection the following words shall, unless the context clearly requires
4 otherwise, have the following meanings:-
- 5 “Agricultural producer”, a taxpayer that produces renewable biomass used in the production of
6 cellulosic biofuel.
- 7 “Cellulosic biofuel”, fuel that may be used in place of petroleum-based fuel derived from
8 cellulose, hemicellulose or lignin derived from renewable biomass.
- 9 "Renewable biomass", non-fossil fuel based material, including: planted crops; crop residues;
10 planted trees and tree residues from sustainably managed forests; waste materials including
11 animal waste, animal byproducts, organic portions of municipal solid waste, grease trap waste,

12 construction and demolition debris; and algae, or as otherwise determined by the division in
13 consultation with the department and the executive office of energy and environmental affairs.

14 (2) An agricultural producer shall be allowed a credit against the taxes imposed by this chapter
15 for production of renewable biomass used in the production of cellulosic biofuel.

16 (3) The amount of the credit shall be calculated as follows:

17 (i) Determine the quantity of renewable biomass transferred to a cellulosic biofuel producer
18 during the tax year;

19 (ii) Categorize the renewable biomass into appropriate categories; and

20 (iii) Multiply the quantity of renewable biomass in a particular category by the appropriate
21 credit rate for that category, as prescribed in paragraph (6).

22 (4) The tax credit shall be taken against the taxes imposed under this chapter and shall not be
23 refundable. The amount of the credit claimed under this section for any tax year may not exceed
24 the tax liability of the taxpayer. Any amount of the tax credit that exceeds the tax due for a
25 taxable year may be carried forward by the taxpayer to any of the 5 subsequent years.

26 (5)(i) A cellulosic biofuel producer shall provide a written receipt to an agricultural producer at
27 the time renewable biomass is transferred from the agricultural producer to the cellulosic biofuel
28 producer. The receipt must state the quantity and type of renewable biomass being transferred
29 and that the renewable biomass is to be used to produce cellulosic biofuel.

30 (ii) Each agricultural producer shall maintain the receipts described in this subsection in their
31 records for a period of at least five years after the tax year in which the credit is claimed or for a
32 longer period of time prescribed by the commissioner.

33 (ii) The credit shall be claimed on a form prescribed by the commissioner that contains the
34 information required by the commissioner.

- 35 (6) The credit rates for renewable biomass shall be:
- 36 (i) For planted crops or crop residue, \$0.05 per pound.
- 37 (ii) For grease trap waste, \$0.10 per gallon.
- 38 (iii) For algae or wastewater biosolids, \$10.00 per wet ton.
- 39 (iv) For planted trees and tree residues from sustainably managed forests, \$10.00 per green ton.
- 40 (v) For yard debris and organic portions of municipal solid waste, \$5.00 per wet ton.
- 41 (vi) For animal waste or animal byproducts, \$5.00 per wet ton.
- 42 (7) The commissioner, in consultation with the secretary, shall promulgate regulations
- 43 necessary for the administration of this subsection.