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Washington Renews Federal Sustainable Biofuel Tax Credit with Bipartisan Support

The biomass-based diesel blender's tax credit (BTC) will promote continued innovation and boost use of clean biodiesel to combat climate change

SACRAMENTO, Calif. (Dec. 23, 2019) – In a move that offers critical support for sustainable biodiesel use, the California Advanced Biofuels Alliance (CABA) today applauded both houses of Congress and the President for passing a multiyear extension that provides an overdue tax credit for producers of clean biomass-based diesel.

The tax incentive, which originally expired in 2017, will be applied retroactively for 2018 and 2019 and will provide a \$1-per-gallon credit through 2022.

“The renewal of this tax credit will empower producers to expand production of California’s renewable fuel supply,” said Tyson Keever, chair of CABA. “This is great news for the state’s fight against heavy duty diesel truck emissions, which disproportionately impact disadvantaged communities suffering from the effects of poor air quality.”

Sustainable diesels such as renewable diesel and biodiesel – which can be used in any diesel engine – are renewable fuels made from a diverse mix of organic materials such as recycled cooking oil, soybean oil and animal fats.

When blended responsibly with petroleum-based diesel, biodiesel can significantly reduce greenhouse gases by 50 to 80 percent, CABA said. Furthermore, a blend of renewable diesel and biodiesel can completely eliminate and replace petroleum-based diesel all together.

“We are thrilled Capitol Hill and the White House has come together and passed an extension that will meet the growing demand for clean, affordable diesel,” said Keever. “Having the support of both sides of the aisle demonstrates the importance of sustainable diesel and its critical role in cleaning our air and fighting climate change.”

As part of the new spending package, BTC will go into effect January 1, 2020.

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About the California Advanced Biofuels Alliance (CABA)

The California Advanced Biofuels Alliance's (CABA) mission is to promote the production and use of advanced biofuels in California. Founded in 2006, CABA has worked both in-state and at the national level to address regulatory, policy, and legislative issues to enable a growing market for biofuels in California. More info at www.caadvancedbiofuelsalliance.org.