

BILL REINTRODUCED TO COVER FULL REFUELING PROPERTY TAX CREDIT

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In a bid to encourage increased access to alternative fuels, Reps. Stephanie Herseth Sandlin (D-S.D.) and John Shimkus (R-Ill.) reintroduced legislation last week that would expand what gasoline station owners could claim under their refueling property tax credit.

"The current federal income tax credit allows a vendor to recapture up to \$50,000 or 50% of the total cost of installing an alternative fuel dispensing system. The IRS has adopted policy which allows the tax credit to only be taken on the incremental cost of the alternative fuel portion of the new pump," according to language provided to OPIS by the National Ethanol Vehicle Coalition (NEVC).

"Thus, in the case of a blender pump system, the incremental cost that is allowable for the tax credit is minimized and of marginal value to the vendor in offsetting the cost of new alternative fuel dispensing equipment. Blender pumps require that the entire hydraulic tree of the dispensing unit be integrated to correctly dispense E85 and conventional gasoline," the NEVC language stated.

Under H.R. 1757, by Herseth Sandlin and Shimkus, the bill "would allow the vendor to utilize the federal tax credit based on the entire cost of the new alternative fuel dispensing system. This process is critical as a blender pump requires the entire hydraulic tree of the dispensing system be integrated. Thus, in order to advance the establishment of alternative fuel infrastructure from a blender pumping system, the entire dispenser must be eligible to receive the federal income tax credit," the NEVC language noted.

The economic stimulus bill that President Obama signed in January expanded the Alternative Fuel Vehicle Refueling Property tax credit from 30% to 50% and extended the provision through 2011. However, the tax credit only covers the blender pump specifically, and not the entire equipment. NEVC and other groups planned to lobby Congress for that change.

Herseth Sandlin and Shimkus introduced a similar bill last year, but it languished in committee. H.R. 1757 was referred to the House Ways and Means Committee.