Federal Ethanol Infrastructure Incentives and Legislation
Including the District of Columbia

Federal Tax Credit for E85 Infrastructure
The Energy Policy Act of 2005 (EPAct 2005, P.L. 109-58) created a 30 percent federal income tax credit, up to $30,000 maximum, to establish alternative fuel infrastructure. The provision permits taxpayers to claim a 30 percent credit for the cost of installing clean-fuel vehicle refueling property to be used in a trade or business of the taxpayer or installed at the principal residence of the taxpayer. Under the provision clean fuels are any fuel at least 85 percent of the volume of which consists of ethanol, natural gas, compressed natural gas, liquefied natural gas, liquefied petroleum gas, and hydrogen and any mixture of diesel fuel and biodiesel containing at least 20 percent biodiesel. The provision is effective for property placed in service after December 31, 2005 and before January 1, 2010.

Prohibition on Franchise Agreement Restrictions Related to E85 Infrastructure
Section 241 of The Energy Independence and Security Act of 2007 (P.L. 110-140) amends the Petroleum Marketing Practices Act to prohibit for a franchisor (i.e. oil company) to restrict a franchisee from installing E85 infrastructure through a franchise agreement.

Infrastructure Development Grants for Mid-level Blends of Ethanol
Section 244 of The Energy Independence and Security Act of 2007 (P.L. 110-140) authorizes the Secretary of Energy to establish a new program for making grants and providing assistance to retail and wholesale fuel dealers for the installation, replacement, or conversion of fuel storage and dispensing equipment for renewable fuel blends greater than E10 but less than E85. Funding assistance is subject to appropriations from Congress.

Volumetric Ethanol Excise Tax Credit (VEETC) – The "Blenders' Credit"
Commonly referred to as the "blender's credit," the Volumetric Ethanol Excise Tax Credit (VEETC) was created in 2004 as part of H.R. 4520, the American Jobs Creation Act of 2004 (JOBS Bill, P.L. 108-357). VEETC provides oil companies with an economic incentive to blend ethanol with gasoline. The tax credit totals 51 cents per gallon on pure ethanol, 5.1 cents per gallon for E10, and 42 cents per gallon on E85. VEETC is currently authorized through December 31, 2010. The tax credit is intended to be passed on to motorists in the form of more cost-effective fuel at the pump.

State Ethanol Incentives for Retail Marketers (including the District of Columbia)

State	Infrastructure Development	Sales Tax Incentives
Alabama	None	None
Alaska	None	E10 receives a .06 /gal tax exemption at the pump when sold in areas of the state required to comply with state or federal carbon monoxide air quality standards.
Arizona	None	None

Arkansas	None	None
California	Alternative Fuel Vehicle (AFV) and Refueling Infrastructure Grants and Loans The Assembly Bill 2766 program provides incentive funding for projects that reduce on-road and off-road motor vehicle pollutant emissions (focusing on nitrogen oxides emissions and particulate matter). The program provides applicants with grant money to implement activities or purchase equipment that reduces air pollution from vehicles, including purchasing alternative fuel vehicles and building alternative fuel and advanced technology infrastructure. Check with local air districts to learn how the AB 2766 Motor Vehicle Registration Funds grants are distributed. Some programs include: Yolo-Solano AQMD, South Coast AQMD, Bay Area AQMD, Antelope Valley AQMD, Feather River AQMD, Kern County AQMD, Mojave Desert AQMD, Monterey Bay Unified APCD, North Coast Unified APCD, Northern Sierra AMD , and San Luis Obispo APCD. (Reference Health and Safety Code 44220 to 44246) Point of Contact Jeff Weir Air Pollution Specialist California Air Resources Board, Planning and Technical Support Division Phone (916) 445-0098 jweir@arb.ca.gov	None

Colorado	The Colorado Office of Energy Management and Conservation (OEMC) will provide partial funding (not to exceed $15,000) to qualified applicants or a maximum of 75 percent of the after-tax incentive project costs, whichever is less. Alternative Fuel Infrastructure Tax Credit For tax years beginning prior to January 1, 2011, the Colorado Department of Revenue offers an income tax credit for the cost of construction, reconstruction, or acquisition of an alternative fuel fueling facility that is directly attributable to the storage, compression, charging, or dispensing of alternative fuels to motor vehicles. The credit value is as follows: Tax Year Tax Credit 2009-2011 20% 2006-2009 35% For an alternative fuel refueling facility that will be generally accessible for use by the public, in addition to the person claiming the credit, the percentages specified above will be multiplied by 1.25. For an alternative fuel refueling facility that dispenses an alternative fuel derived from a renewable energy source, the credit percentages specified above will be multiplied by 1.25 and requires certification that at least 70% of the alternative fuel dispensed annually is derived from a renewable energy source for a period of 10 years. The credit has a maximum value of $400,000 in any consecutive five-year period for each refueling facility. For more information about this credit, see the Colorado Department of Revenue's Alternative Fuel Income Tax Credits Web site. Point of Contact Tax Information Call Center Colorado Department of Revenue Phone (303) 238-7378 http://www.revenue.state.co.us/main/home.asp	None
Connecticut	None	None
Delaware	None	None
District of Columbia	None	None

Florida	Hydrogen and Biofuels Investment Tax Credit A credit against the state sales and use tax is available for costs incurred between July 1, 2006, and June 30, 2010, for the following: 75% of all capital operation and maintenance, and research and development costs incurred in connection with an investment in the production, storage, and distribution of biodiesel (B10-B100) and ethanol (E10-E100) in the state, up to a maximum of $6.5 million in each fiscal year for all taxpayers. This includes the costs of constructing, installing, and equipping such technologies; gasoline refueling station dispenser retrofits for ethanol (E10-E100) distribution also qualify. Credits may be used in tax years beginning January 1, 2007, and ending December 31, 2010. If the credit is not fully used in any one tax year because of insufficient tax liability on the part of the corporation, the unused amount may be carried forward and used in tax years beginning January 1, 2007, and ending December 31, 2012.	A credit against the state sales and use tax is available for costs incurred between July 1, 2006, and June 30, 2010. See Infrastructure credit
Georgia	(HB 186) * The governor has proposed to provide a 4 percent sales tax exemption for equipment and materials used to construct ethanol production facilities until the commencement of production. The tax exemption would apply between July 1, 2007 and June 30, 2012. (SB 157) * The proposed bill, approved by the Senate, provides state grants to finance the installation and conservation of E85 storage and dispensing equipment for not less than five consecutive years of retail sale. The Department of Community Affairs shall work with the Georgia Environmental Facilities Authority to implement the program and disperse available funds.	
Hawaii	None	None

Idaho	Alternative Fueling Infrastructure Cost-Share Program A state cost-share program is being developed to provide financial incentives for the installation or conversion of E85 refueling infrastructure and infrastructure required to establish terminal facilities that store biodiesel for distribution to service stations. The program will also provide for the addition of at least 30 new or converted E85 retail outlets and four new or converted terminal facilities used to store ethanol. The program will provide for a maximum of $325,000 annually for the fiscal period beginning July 1, 2005, and ending June 30, 2008. (Reference Iowa Code 15.401) H150 offers a 50/50 matching grant program for fuel retailers investing in biofuels infrastructure. The bill sunsets on July 1, 2012. H177 provides a 6 percent investment tax credit for fuel retailers and wholesalers investing in biofuels infrastructure, including the cleaning of existing fuel storage tanks. The bill sunsets on January 1, 2011. Point of Contact John Crockett Energy Specialist Idaho Energy Division Phone (208) 287-4894 Fax (208) 287-6700 john.crockett@idwr.idaho.gov	Ethanol Tax Credit A tax credit is available to retail service stations at which more than 60% of the total gallons of gasoline sold through metered pumps are blended with ethanol. Once station owners surpass the 60% threshold, they are eligible for a tax credit of $0.025 for every additional gallon of gasoline blended with ethanol and sold during the tax year, through December 31, 2008. Beginning in 2009 an Ethanol Promotion Tax Credit will replace the current incentive for each gallon of ethanol sold. The Ethanol Promotion Tax Credit will provide a $0.065 tax credit to any retailer meeting the renewable fuel standard (RFS) schedule for a given year. For retailers within 2% and 4% of meeting the RFS schedule, the tax credit will be $0.045 and $0.025, respectively, for every gallon of ethanol sold.
Illinois	E85 Refueling Infrastructure Grant Through the Opportunity Returns initiative and a grant from the Illinois Clean Energy Community Foundation, $500,000 in funding is available for the Illinois E85 Clean Energy Infrastructure Development Program to establish new E85 fueling stations at retail gasoline facilities in Illinois. The program, administered by the Illinois Department of Commerce and Economic Opportunity, will provide up to 50% of the total cost for converting an existing facility to dispense E85 (with a maximum grant of $3,000 per fueling station), or up to 30% of the cost to construct a new E85 fueling station or for a major modification to an existing fueling station (with a maximum grant of up to $30,000 per facility). Point of Contact Norm Marek Illinois Department of Commerce and Economic Opportunity Illinois State Energy Office Phone (217) 785-5082 Fax (217) 785-2618 norm.marek@illinois.gov http://www.commerce.state.il.us/dceo/Bureaus/Energy_Recycling	Retail Pump Incentive for Ethanol-Blended Fuel—(35 ILCS 505 Motor Fuels Tax) * Beginning July 1, 2003, a 2 percent sales tax exemption is allowed for proceeds from the sales of E10, E85, and biodiesel. The tax applies to 80 percent of the proceeds from sales of E10. No tax applies to sales of E85. Tax exemptions expire on December 31, 2013. (Also Reference 35 Illinois Compiled Statutes 120/2-10, 105/3-10 and 105/3-44) .

Indiana	E85 Fueling Station Grant Program Through the E85 Fueling Station Grant Program administered by the Indiana State Department of Agriculture (ISDA), grants of up to $5,000 are available toward the purchase of new E85 refueling equipment or the conversion of existing equipment to allow for E85 refueling in Indiana. Applications for this grant program must be reviewed and approved by the ISDA, and the total amount of grants awarded for all fiscal years may not exceed $1 million. (Reference Senate Bill 270, 2007, and Indiana Code 15-9-5) Point of Contact Cary Aubrey Bioenergy Program Manager Indiana State Department of Agriculture Phone (317) 450-0652 Fax (317) 232-1362 caubrey@isda.in.gov	Pending House Bill 1646 would establish a comprehensive renewable fuels standard to ensure ethanol and biodiesel comprise 15 percent of the state's fuel use in 2015 by providing tax credits to retailers to purchase and sell renewable fuels. The House of Representatives unanimously adopted HB 1646 in February 2007. The pending bill extends the current retailer's sales tax collection discount for E85 sales through 2020. Currently, that discount is calculated 10 cents per gallon of E85 sold by a retailer, and under the bill would remain so through 2011. The next year, the deduction would begin phasing down by 1 cent per gallon each year until it expires after 2020. The bill has passed the House and is currently pending in the Senate. (Reference Senate Bill 270, 2007, and Indiana Code 6-2.5-7-5)
Iowa	Renewable Fuel Infrastructure Program for Retail Fuel Sites (Iowa Code 15.401) * The law provides financial incentives to retail fuel dealers distributing E85 or biodiesel blends not to exceed 50 percent of the actual cost of the infrastructure or $30,000, (whichever is less). The program is subject to funding limitations. - Retail Pump Incentive for Ethanol-Blended Fuel—(Iowa Code 452A.3) * The E85 and E10 tax throughout Iowa is 19 cents per gallon, while gasoline is taxed at a rate of 20.3 cents per gallon. Furthermore, Iowa Code 422.11C provides a tax credit to retail outlets at which more than 60 percent of the total gallons of gasoline sold are blended with ethanol. Once retailers exceed the 60 percent level, they are eligible for a tax credit of 2.5 cents per gallon for every additional gallon of ethanol blended gasoline sold.	E85 Promotion Tax Credit * The law also establishes a new tax incentive to encourage E85 distribution at the retail level, providing retail fuel dealers a tax credit of 25 cents per gallon for E85 sales in calendar years 2006 through 2008, decreasing in value to 20 cents per gallon for calendar years 2009 and 2010, and declining thereafter by 1 cent per year to 1 cent per gallon in calendar year 2020, after which the E85 tax credit expires. Retail fuel dealers are able to claim both the Ethanol Promotion Tax Credit and the E85 Promotion Tax Credit.

Kansas	Alternative Fuel Refueling Infrastructure Tax Credit The state offers an income tax credit for alternative fuel refueling stations placed in service after January 1, 2005, and before January 1, 2009. The tax credit, worth up to 40% of the total amount, may not exceed $160,000. For any refueling station placed in service after January 1, 2009, the amount may not exceed $100,000. This tax credit should be deducted from the taxpayer's income tax liability for the taxable year in which the expenditures are made. In the event the credit is more than the taxpayer's tax liability for that year, the remaining credit may be carried over for up to three years after the year in which the expenditures were made. (Reference House Bill 2145, 2007, and Kansas Statutes 79-32,201) Point of Contact Jim Ploger Director of Renewable Energy & Energy Efficiency Kansas Energy Office Phone (785) 271-3349 Fax (785) 271-3268 j.ploger@kcc.state.ks.us http://www.kcc.state.ks.us/energy/alt_fuels.htm	Renewable Fuel Retailer Incentive Beginning January 1, 2009, a licensed retail motor fuel dealer may receive a quarterly incentive for selling and dispensing renewable fuels, including biodiesel. Qualified motor fuel dealers are eligible for up to $0.065 for every gallon of renewable fuel sold and up to $0.03 for every gallon of biodiesel sold, if the required threshold percentage is met. The threshold percentage for the incentive payment will increase on an annual basis from 10% for renewable fuel and 2% for biodiesel in 2009 to 25% beginning on January 1, 2024. Funds will be allocated from the Kansas Retail Dealer Incentive Fund. Point of Contact Cindy Mongold Public Service Administrator II Kansas Department of Revenue Phone (785) 296-7048 Fax (785) 296-4993 cindy_mongold@kdor.state.ks.us http://www.ksrevenue.org
Kentucky	Alternative Fuel Production Tax Incentive Refund The Kentucky Economic Development and Finance Authority (KEDFA) provides a tax refund of up to 100% of the state sales tax paid on the purchase of personal property used to construct, retrofit, or upgrade an alternative fuel production or gasification facility. Additionally, the KEDFA provides a credit of up to 100% of the income tax and limited liability entity tax that would otherwise be owed by a company for an alternative fuel production or gasification facility that uses biomass as the primary feedstock. The incentives apply to property purchased on or after January 1, 2008, and expire upon the completion of the project, or five years from the date on which the company begins receiving the incentive, whichever is. Producers may recover up to 50% of their capital investment in tax incentives. The minimum capital investment for incentive eligibility is $25 million for an alternative fuel or gasification facility that uses biomass as the primary feedstock and $100 million for a facility that uses coal as the primary feedstock. KEDFA may distribute the sales tax incentive before the minimum capital investment is made. (Reference Special Session House Bill 1, 2007) Point of Contact J.R. Wilhite Commissioner, Department of New Business Development Kentucky Cabinet for Economic Development Phone (502) 564-7140 Fax (502) 564-3256 jr.wilhite@ky.gov	None

Louisiana	Alternative Fuel Vehicle (AFV) and Refueling Infrastructure Tax Credit The state offers an income tax credit worth 20% of the cost of converting a vehicle to operate on an alternative fuel, 20% of the incremental cost of purchasing an Original Equipment Manufacturer (OEM) AFV or hybrid electric vehicle (HEV), and 20% of the cost of constructing an alternative fuel refueling station. For the purchase of an OEM AFV or HEV, the tax credit cannot exceed 2% of the total cost of the vehicle or $1,500, whichever is less. Only vehicles registered in Louisiana can receive the tax credit. For the purpose of this incentive, alternative fuels include compressed natural gas, liquefied natural gas, liquefied petroleum gas, methanol, ethanol, electricity, and any other fuels which meet or exceed federal clean air standards. (Reference Louisiana Revised Statutes 47:38 and 47:287.757) Point of Contact Sandra Leduff Taxpayer Services Division Louisiana Department of Revenue Phone (225) 219-0067	None
Maine	Alternative Fuel Fueling Infrastructure Tax Credit A tax credit is available for the construction or installation of, or improvements to, any fueling or charging station for the purposes of providing clean fuels to the general public for use in motor vehicles. The qualifying percentage is 25% for expenditures made from January 1, 2002, to December 31, 2008. Any portion of unused credits may be carried over to the following year or years until it is used. (Reference Maine Revised Statutes Title 36, Section 5219-P)	Retail Pump Incentive for Ethanol-Blended Fuel * An excise tax is levied on motor fuels at a rate of 22 cents per gallon on gasoline and for each gallon of other fuel based on BTU content compared to gasoline. E10 receives a tax exemption for a total tax of approximately 19.6 cents per gallon.
Maryland	None	None
Massachusetts	None	None
Michigan	Ethanol Infrastructure Assistance * HB 5754 was adopted in 2006 to amend the Michigan Strategic Fund to create a service station matching grant program providing incentives to service stations to convert existing fuel delivery systems and create new fuel delivery systems designed to provide E85 and biodiesel blends. A grant covering 75 percent of the cost to convert an existing delivery system, not to exceed $3000, is provided for E85 and biodiesel. A grant covering 50 percent of the cost to create a new delivery system, not to exceed $12,000 per facility, is provided for E85 and biodiesel. If grant recipients discontinue the sale of E85 or biodiesel within three years of receiving grant assistance, they must repay a portion of the grant.	Retail Pump Incentive for Ethanol-Blended Fuel * SB 1074 was enacted in 2006, reducing statewide gasoline taxes to 12 cents per gallon for E85 blends. The reduced rate remains in effect for 10 years, unless determined otherwise by the Michigan State Department of Treasury.

Minnesota	E85 Fueling Infrastructure Grants Grants administered by the Minnesota E85 Team are available to service stations installing equipment or converting existing equipment for dispensing E85 fuel to flexible fuel vehicles. Cost eligibility and grant amounts vary according to grant sponsorship. Point of Contact Lisa Thurstin Clean Cities Coordinator Twin Cities Clean Cities Coalition Phone (651) 223-9568 Fax (651) 281-0242 lisa.thurstin@alamn.org http://www.cleanairchoice.org/cities/tc.cfm	Retail Pump Incentive for Ethanol-Blended Fuel—(MN Statutes, 296 A.07) * E85 receives a 5.8 cent per gallon exemption from the state's 20 cent excise tax on gasoline. E85 tax rate is 14.2 cents per gallon. No tax exemption for E10.
Mississippi	None	None
Missouri	None	None
Montana	None	Tax Reduction for Ethanol Blends A state road tax reduction of 15%, as compared to the tax on gasoline, is available to consumers for using ethanol-blended fuel. This incentive will be available until the Montana renewable fuels standard is in effect. Ethanol-blended fuel is defined as a gasoline that is blended with denatured ethanol. (Reference House Bill 176, 2007, and Montana Code Annotated 15-70-201 and 15-70-204)
Nebraska	Alternative Fuel Vehicle (AFV) and Refueling Infrastructure Loans The Nebraska Energy Office administers the Dollar and Energy Saving Loans Program. The Program makes low-cost loans available for a variety of alternative fuel projects, which include the following: the replacement of conventional vehicles with AFVs; the purchase of new AFVs; the conversion of conventional vehicles to operate on alternative fuels; and the construction or purchase of a refueling station or equipment. Dedicated AFVs are eligible, and loans may go towards a portion of the cost of dual-fuel vehicles. The maximum loan amount is $150,000 per borrower, and the interest rate is 5% or less. Point of Contact General Inquiries Nebraska State Energy Office Phone (402) 471-2867 Fax (402) 471-3064 energy@neo.ne.gov http://www.neo.ne.gov/loan/index.html	None
Nevada	None	None
New Hampshire	None	None

New Jersey	Alternative Fuel Infrastructure Rebate The Local Government Alternative Fuel Infrastructure Program currently has funding available to reimburse eligible local governments, state colleges and universities, school districts, and governmental authorities for 50% of the cost of purchasing and installing refueling infrastructure for alternative fuels. Up to $50,000 is available per applicant. Eligible fuels include natural gas, propane, electricity, ethanol (E85) and hydrogen. Point of Contact John Zarzycki Interim Clean Cities Coordinator New Jersey Clean Cities Coalition Phone (973) 648-4967 john.zarzycki@bpu.state.nj.us	None
New Mexico	Alternative Fuel Vehicle (AFV) and Refueling Infrastructure Grants The Energy Conservation and Management Division of Energy, Minerals, and Natural Resources Department (EMNRD) provides grants on a competitive basis to eligible applicants to support alternative fuel activities including the purchase AFVs, infrastructure development, alternative fuel training, or related activities in New Mexico. Eligible applicants must submit proposals within specified dates as determined by EMNRD. If a proposal is selected for funding, the applicant will be required to enter into a professional-service agreement or governmental-service agreement with EMNRD. Funds are available on an annual basis; this program is supported by federal funding. Point of Contact Colin Messer Program Manager Energy, Mineral, and Natural Resources Department, Energy Conservation and Management Division Phone (505) 476-3314 Fax (505) 476- 3322 colinj.messer@state.nm.us	None
New York	Ethanol Infrastructure Assistance * A $10 million grant program assists private service stations in installing alternative fuel pumps for ethanol, biodiesel, or compressed natural gas (CNG).* A law was adopted in August 2006 which prohibits exclusivity contracts between fuel distributors and gasoline stations, providing flexibility to retailers to offer E85. ** New York State's Energy Research and Development Authority currently has a funding program which will provide funds of 50 percent, up to a maximum of $50,000, for fueling infrastructure. Combined with the federal tax credit of 30 percent, up to a maximum of $30,000, along with the New York State tax credit of 50 percent (no cap) and the waiver of motor fuels excise taxes in the state, considerable incentives are in place for New York State retailers to install E85 infrastructure.	Waiver of motor fuels excise taxes

North Carolina	Alternative Fuel Vehicle (AFV) and Hybrid Electric Vehicle (HEV) Grants Clean Fuel Advanced Technology (CFAT) is a three-year project focused on reducing transportation related emissions in North Carolina's non-attainment and maintenance counties for National Ambient Air Quality Standards. Projects that are adjacent to areas may also be eligible if emissions will be reduced in the eligible counties. The $2 million project is funded by the North Carolina Department of Transportation, State Energy Office, and the Division of Air Quality, and covers three broad areas: education and outreach; project funding; and recognition of exemplary activities. Funding for up to 80% of project costs is available for AFVs, fueling infrastructure, idle reduction technologies, heavy-duty HEVs, heavy-duty buses, and diesel retrofits. Point of Contact - Anne Tazewell Alternative Fuels Program Manager North Carolina Solar Center, North Carolina State University Phone (919) 513-7831 Fax (919) 515-6159 anne_tazewell@ncsu.edu Alternative Fuel Vehicle (AFV) Grants Grants from the Department of Environment and Natural Resources Division of Air Quality are available for the incremental cost of purchasing Original Equipment Manufacturer AFVs, vehicle conversions, implementing idle reduction programs, and constructing or installing public alternative fuel fueling facilities. More than $500,000 in funding is available. Point of Contact - Heather Hildebrandt Division of Air Quality, Mobile Source Compliance Branch Department of Environment and Natural Resources Phone (919) 733-1498 heather.hildebrandt@ncmail.net http://www.daq.state.nc.us/motor/ms_grants	Alternative Fuel Fueling Infrastructure Tax Credit A tax credit is available for qualified fueling facilities that dispense biodiesel, 100% ethanol, or ethanol/gasoline blends consisting of at least 70% ethanol. The credit is equal to 15% of the cost of construction and installation of the dispensing facility, including pumps, storage tanks, and related equipment, that is directly and exclusively used for dispensing or storing the fuel. The credit must be taken in three equal annual installments beginning with the taxable year in which the facility is placed into service. Facilities must be placed in service before January 1, 2011. (Reference North Carolina General Statutes 105-129.16D)
North Dakota	None	Ethanol Blend Tax Rate Reduction A state excise tax of $0.23 per gallon is imposed on all special fuels sold or used in the state, including compressed natural gas and liquefied petroleum gas. The sale of ethanol blended gasoline fuel containing 85% ethanol (E85) is exempt from the $0.23 per gallon tax, and is instead subject to a reduced tax of $0.01 per gallon on all E85 fuel sold or used in the state. (Reference North Dakota Century Code 57-43.1-02 and 57-43.2-02)

Ohio	Alternative Fuel and Fueling Infrastructure Grants The Alternative Fuel Transportation Grant Program authorized $900,000 for the purchase and installation of alternative fuel fueling and blending facilities, and for the purchase and use of alternative fuel by businesses, nonprofit organizations, public school systems, and local governments. Applications for Fiscal Year 2008 funding were accepted beginning August 27, 2007, and will continue until all funds have been committed. (Reference Ohio Revised Code 122.075) Point of Contact Jim Zuber Advanced Energy Manager Ohio Energy Office Phone (614) 387-2731 Fax (614)466-1864 jzuber@odod.state.oh.us http://www.odod.state.oh.us/cdd/oee/transportation.htm Point of Contact Sam Spofforth Clean Cities Coordinator – Executive Director Clean Fuels Ohio Phone (614) 292-5435 Fax (614) 688-4111 sam@cleanfuelsohio.org http://www.cleanfuelsohio.org	Biofuels Retail Tax Credit Retailers who sell E85 or biodiesel are eligible for a tax credit of $0.15 per gallon of E85 or biodiesel fuel sold using a metered pump at a fueling station in 2008, and $0.13 per gallon of E85 or biodiesel fuel sold in 2009. (Reference House Bill 119, 2007, and Ohio Revised Code 5733.48 and 5747.77) Point of Contact Jim Zuber Advanced Energy Manager Ohio Energy Office Phone (614) 387-2731 Fax (614)466-1864 jzuber@odod.state.oh.us http://www.odod.state.oh.us/cdd/oee/transportation.htm

Oklahoma	Alternative Fuel Vehicle (AFV) and Fueling Infrastructure Loans The Department of Central Services has an Alternative Fuels Loan program to help convert government-owned fleets to operate on alternative fuels. This program provides 0% interest loans for converting vehicles to operate on an alternative fuel, for the construction of fueling infrastructure, and for the incremental cost associated with the purchase of an Original Equipment Manufacturer AFV. The program provides up to $10,000 per converted or newly purchased vehicle and up to $150,000 for fueling infrastructure. Repayment is made from fuel savings during a maximum seven-year period. If the price of alternative fuels does not remain below the price of the conventional fuel that was replaced, repayment is suspended. Eligible applicants include state and county agencies and divisions, municipalities, school districts, mass transit authorities, and public trust authorities. (Reference Oklahoma Statutes 74-130.4) Alternative Fuel Vehicle (AFV) Loans Oklahoma has a private loan program with a 3% interest rate for the cost for the installation of AFV refueling infrastructure. The repayment of the loan is made from fuel savings during a maximum three-year period. Point of Contact Carolyn Sullivan Energy Program Manager Oklahoma Department of Commerce, State Energy Office Phone (405) 815-5347 carolyn_sullivan@odoc.state.ok.us	Ethanol Fuel Retailer Tax Credit A retailer of ethanol-blended fuel (blended gasoline consisting of not more than 15% ethyl alcohol by volume) may claim a motor fuel tax credit of $0.016 for each gallon of ethanol fuel sold in Oklahoma, if the retailer provides a price reduction to the purchaser of the ethanol fuel in the same amount. This incentive is effective unless the federal government mandates the use of reformulated fuel in an area within the State of Oklahoma that is in non-attainment with the National Ambient Air Quality Standards. (Reference Oklahoma Statutes 68-500.10-1)

Oregon	Alternative Fuel Production Facility and Fueling Infrastructure Tax Credit A BETC is available for 25% of the costs incurred for constructing or installing alternative fuel vehicle fueling infrastructure, up to $750 per station. There is an option that allows a project owner to transfer the BETC project eligibility to a pass-through partner for a lump-sum cash payment. A project owner may be a public entity or non-profit organization with no tax liability, or a business with tax liability that chooses to use the pass-through option. (Reference House Bill 3201, 2007, and Oregon Revised Statutes 317.115, 469.160 to 469.180, and 469.185 to 469.225) Point of Contact - Rick Wallace Clean Cities Coordinator Columbia Willamette Clean Cities Coalition, Inc. Phone (503) 378-3265 Fax (503) 373-7806 rick.wallace@state.or.us http://www.cwcleancities.org Portland Biofuels Fueling Infrastructure Grants The Retail and Fleet Biofuels Infrastructure Grant provides incentives of up to $10,000 to install or convert fueling equipment at retail gasoline stations and fleet fueling sites to B20 or higher biodiesel blends and E85 ethanol blends. Incentives are available on a first-come, first-served basis to projects that meet the grant's eligibility guidelines. Point of Contact - City of Portland's Office of Sustainable Development Phone (503) 823-7222 Fax (503) 823-5311 http://www.portlandonline.com/OSD	None

Pennsylvania	Alternative Fuel Vehicle (AFV), Hybrid Electric Vehicle (HEV), and Fueling Infrastructure Funding The Alternative Fuels Incentive Grant (AFIG) Fund provides grant funding to school and vocational school districts, municipal authorities, counties, cities, boroughs, incorporated towns, county institution districts, nonprofit entities, corporations, limited liability companies, or partnerships incorporated or registered in the Commonwealth of Pennsylvania. Projects that result in product commercialization and the expansion of Pennsylvania companies will be favored in the selection process. The AFIG Program is administered by the Pennsylvania Department of Environmental Protection and provides financial assistance and information on alternative fuels, AFVs, HEVs, anti-idling technologies that use alternatives to diesel fuel for heavy-duty trucks, and advanced vehicle technology research, development, and demonstration. The emphasis of the program varies according to the funding years. For example, AFIG has recently focused on biofuels (ethanol and biodiesel) production and use. (Reference Pennsylvania Code Chapter 311 and Pennsylvania General Acts 178, 2004) Point of Contact Carmen La Rosa Energy Program Specialist Pennsylvania Department of Environmental Protection, Office of Energy and Technology Deployment Phone (717) 783-9242 Fax (717)783-9242 clarosa@state.pa.us http://www.depweb.state.pa.us	None
Rhode Island	None	None
South Carolina	* The state offers a 25 percent tax credit for the installation of E85 infrastructure. Biofuels Distribution Infrastructure Tax Credit Effective January 1, 2008, taxpayer that constructs, installs, and places into service a qualified commercial facility for distribution or dispensing of renewable fuels in the state is eligible for a tax credit of up to 25% of the construction and installation costs. Eligible property includes pumps, storage tanks, and related equipment used exclusively for distribution, dispensing, and storing renewable fuel. A qualified facility must clearly label the equipment used to store or dispense the fuel as associated with renewable fuel. The credit must be taken in three equal annual installments beginning with the taxable year in which the facility is placed into service. Renewable fuel is defined as ethanol fuel blends of 70% or greater (E70) dispensed at the retail level for use in motor vehicles, and pure ethanol or biodiesel fuel dispensed by a distributor or facility that blends these non-petroleum liquids with gasoline fuel or diesel fuel for use in motor vehicles. (Reference Senate Bill 243, 2007, and South Carolina Code of Laws 12-63-3610)	None

South Dakota	None	Ethanol and Methanol Tax Report Credit A tax report credit for gasoline blended with ethanol or methanol to create E85 or M85 is available to licensed blenders. The tax report credit is granted on a per gallon basis, in the amount that the rate for motor fuel exceeds the rate for E85 or M85. The credit is used to offset any tax liability resulting from the blending of previously untaxed ethanol or methanol. E85 and M85 are taxed at a rate of $0.10 per gallon, and other ethanol blends are taxed at a rate of $0.20 per gallon. (Reference South Dakota Statutes 10-47B-4 and 10-47B-136) Retail Pump Incentive for Ethanol-Blended Fuel * E10 receives a 2 cent per gallon exemption from the state's 22 cent excise tax on gasoline. E85 receives a 12 cent per gallon exemption. The state's gas tax is 22 cents per gallon, while the E10 tax is 20 cents per gallon, and the E85 tax is 10 cents per gallon.
Tennessee	Provision for Establishing Alternative Fuel Refueling Infrastructure Grants The Tennessee Department of Transportation (TDOT) is authorized to undertake public-private partnerships with transportation fuel providers, including, but not limited to farmer cooperatives, to install refueling facilities. Refueling facilities include storage tanks and fuel pumps dedicated to dispensing biofuels, including but not limited to ethanol (E85) and biodiesel (B20). TDOT is also authorized to establish a grant program to provide financial assistance to help pay the capital costs of purchasing, preparing, and installing fuel storage tanks and fuel pumps for biofuels at private sector fuel stations. TDOT may also develop and implement a program to encourage all political subdivisions of the state and public colleges and universities to increase the number of vehicles that use alternative fuels. (Reference House Bill 2216, 2007, and Tennessee Code 54-1-136)	None

Texas	Alternative Fuel Grant Assistance The Texas State Energy Conservation Office researches and assists public and private entities in securing grants to encourage the use of alternative fuels, including conversion of state and local government fleets to operate on compressed natural gas, liquefied petroleum gas, hydrogen, biodiesel, and ethanol, and the use of hybrid electric vehicles. Point of Contact Mary-Jo Rowan Program Manager Texas State Energy Conservation Office, Texas Comptroller of Public Accounts Phone (512) 463-2637 Fax (512) 475-2569 mary-jo.rowan@cpa.state.tx.us http://www.seco.cpa.state.tx.us	None
Utah	None	None
Vermont	None	None
Virginia	Alternative Fuel Vehicle (AFV) and Fueling Infrastructure Loans The Virginia Board of Education may use funding from the state Literary Fund to grant loans to school boards that convert school buses to operate on alternative fuels or construct alternative fuel refueling stations. (Reference Virginia Code 22.1-146)	None
Washington	Alternative Fuel Grant and Loan Program The Energy Freedom Program (Program) is established within the Department of Community, Trade, and Economic Development (DCTED), and administered by the Director of the DCTED in consultation with other state agencies. The Program awards low-interest loans and grants through a competitive application process. Eligible projects include: research and development of new and renewable energy and biofuel sources, including biomass, solar, and wind power; renewable energy and alternative fuel infrastructure, facilities, and technologies; and research and development to develop markets for alternative fuel byproducts. Funding for the Program is provided by the Energy Freedom Loan Account and the Green Energy Incentive Account. The Program expires June 30, 2016. Construction of new alternative fuel refueling facilities as well as upgrades and expansion of existing refueling infrastructure offered to the public are also eligible for funding, and up to $50,000 may be awarded for a refueling infrastructure project. Funding for refueling infrastructure projects will only be awarded if the project is located within a 'green highway zone' in the state, which is a designated area within reasonable proximity of Washington State Routes 5, 90, and 82. (Reference House Bill 1303, 2007, and Revised Code of Washington 15.110)	Biofuels Tax Deduction A tax deduction is available for the sale or distribution of biodiesel or E85 motor fuel. This deduction is available until July 1, 2015. (Reference House Bill 1029, 2007, and Revised Code of Washington 82.04.4334) Biofuels Retail Tax Exemption Fuel delivery vehicles and machinery, equipment, and related services that are used for the retail sale or distribution of a biodiesel blend or E85 motor fuel are exempt from state retail fuel sales and use taxes. This tax exemption expires July 1, 2015. (Reference House Bill 1029, 2007, and Revised Code of Washington 82.08.955 and 82.12.955)
West Virginia	None	None

Wisconsin	Proposed E85 Infrastructure Assistance * Proposed tax credits would provide 25 percent of the cost to implement E85 refueling infrastructure, with a maximum credit of $5,000 per pump. The program budget would be $2 million.	None
Wyoming	None	None

State Legislation Summary
Many states have chosen to enact ethanol-related legislation, including incentives for its production, pump incentives for its sale, and requirements for ethanol-blended fuel use.

More detailed information on these state ethanol policies is available in ACE's state-by-state ethanol handbook, available at www.ethanol.org

Seven states have enacted **Renewable Fuels Standards** that require the use of ethanol-blended fuel:

1. Hawaii
2. Iowa
3. Louisiana
4. Minnesota
5. Missouri
6. Montana
7. Washington

Ten states have some type of **retail pump incentives for ethanol**, whether for E10, E85, or both types.

1. Alaska (E85)
2. Idaho (E85)
3. Illinois (both E10 and E85)
4. Iowa (both)
5. Kansas (E10)
6. Maine (both)
7. Missouri (both)
8. Minnesota (E10)
9. Oklahoma (both)
10. South Dakota (both)
11. North Dakota (both)
12. Connecticut (both)
13. Hawaii (both)

Twenty-two states have some type of **incentive for ethanol producers**:

1. Hawaii
2. Illinois
3. Indiana
4. Kansas
5. Maine

6. Maryland
7. Minnesota
8. Mississippi
9. Missouri
10. Montana
11. Nebraska
12. New York
13. North Dakota
14. Oklahoma
15. Oregon
16. Pennsylvania
17. South Carolina
18. South Dakota
19. Tennessee
20. Texas
21. Virginia
22. Wyoming

Sources for this summary document – US Department of Energy Website (http://www.eere.energy.gov/afdc/progs/all_state_summary.php/afdc/0): American Coalition for Ethanol.

To the best of our knowledge, the information contained in this summary is accurate as of March 2008. We do not make any warranty or assume any legal liability for the accuracy of the information.