

United States Senate
Committee on Finance



Sen. Chuck Grassley · Iowa
Ranking Member

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MEMORANDUM

To: Reporters and Editors
Re: Potential ethanol job losses
Da: Thursday, March 18, 2010

A new report from the Renewable Fuels Foundation says the expiration of ethanol production tax incentives would result in the loss of more than 112,000 jobs in all sectors of the economy, including those directly involved in ethanol production and all other jobs supported by the industry. The excise tax credit (the Volumetric Ethanol Excise Tax Credit, or VEETC) and the small ethanol producer tax credit both expire on Dec. 31, 2010. Sen. Chuck Grassley, ranking member and former chairman of the Committee on Finance, has been instrumental in ensuring the growth and success of ethanol production through tax incentives. Grassley made the following comment on today's report.

“We hear a lot of talk from the Democratic majority in Congress and the President about green jobs, clean energy, and restoring jobs and income security for the middle-class. But the kind of policy to support clean energy jobs for the middle-class falls by the wayside under the current leadership. The Democratic-led Congress easily could have extended the biodiesel tax credit before it expired at the end of 2009. But the Democratic leaders chose to tangle up the biodiesel tax credit in more controversial debates, at the expense of renewable energy development and production. As a result, the biodiesel industry has lost 29,000 clean-energy jobs, and 23,000 more jobs will be lost if that tax credit is not extended. So there's every reason for concern about what could happen with ethanol this year. That industry supports 400,000 jobs, and more than 112,000 jobs depend on extending the tax incentives. These jobs are often in rural communities where employment is hard to come by. And ethanol builds U.S. energy independence from imported oil. Congress needs to make sure the ethanol tax incentives are extended sooner rather than later.”