

UNITED STATES SENATOR • IOWA
CHUCK GRASSLEY
RANKING MEMBER • SENATE COMMITTEE ON FINANCE

<http://grassley.senate.gov>
press_office@grassley.senate.gov

Contact: Jill Kozeny, 202/224-1308
Jill Gerber, 202/224-6522

For Immediate Release

Monday, Feb. 11, 2002

Grassley Initiatives Help to Make Energy Package Environmentally Friendly

WASHINGTON -- The chairman's mark of an energy tax incentives bill includes numerous pieces of environmentally responsible alternative energy legislation that Sen. Chuck Grassley, ranking member of the Committee on Finance, has championed for years.

"It makes sense to use the tax code to develop alternative energy," Grassley said. "Cutting taxes is an effective way to encourage positive, environmentally conscious ways to produce electricity. I'm glad to work with Chairman Baucus to put together a good, green energy package."

Today Finance Committee Chairman Max Baucus released his chairman's mark of an energy tax incentives bill. The full committee is scheduled to consider the package on Wednesday. Grassley tax priorities in the chairman's mark include:

- ▶ Wind energy. The chairman's mark includes Grassley's pending legislation, the *Bipartisan Renewable, Efficient Energy with Zero Effluent (BREEZE) Act* (S. 530), to extend the production tax credit for energy generated by wind for five years. The tax credit expired Jan. 1. Grassley authored the *Wind Energy Incentives Act of 1993*, which established the first-ever wind energy production tax credit.
- ▶ Biomass. The chairman's mark includes Grassley's bill, the *Growing Renewable Energy for Emerging Needs (GREEN) Act* (S. 756), which extends the tax credit for the production of biomass, which Grassley authored and which became law in 1992, and expands the definition of biomass to include saw dust, tree trimmings, agricultural byproducts and untreated construction debris. Also included is the extension of the tax credit for the production of electricity from poultry waste.
- ▶ Small ethanol producer credit. The chairman's mark expands the definition of an eligible small ethanol producers so small cooperative producers of ethanol will receive the same tax benefits as large companies. It also clarifies that the tax credit can flow through to the patrons of the cooperatives. Grassley's legislation, the *Tax Empowerment and Relief for Farmers and Fishermen Act* (TERFF) (S. 312), includes these provisions.

Grassley has a long history of promoting ethanol as a clean-burning, renewable, domestically produced energy source. He scored a major victory for the Midwest when he not only blocked anti-ethanol efforts, but also countered by orchestrating congressional approval to extend the ethanol excise tax exemption to 2007.

- ▶ Fuel taxes. The chairman's mark moves a portion of the taxes from gasohol – gasoline blended with ethanol – into the Highway Trust Fund to ensure that fuel taxes are used for highways, not unrelated government programs. Grassley and Baucus agreed on this issue after an energy hearing last July.
- ▶ Energy-efficient appliances. The chairman's mark includes legislation Grassley originally authored and co-sponsored in this Congress, the *Resource Efficient Appliance Incentives Act* (S. 686), to encourage the manufacture and use of super energy-efficient washing machines and refrigerators with a tax credit for the production of those appliances.
- ▶ Swine and bovine waste. The chairman's mark includes Grassley's legislation, the *Providing Opportunities With Effluent Renewables (POWER) Act of 2001* (S. 1219), which provides new opportunities for energy production and increased farm income by creating a production tax credit for electricity generated from swine and bovine waste.