

111<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 5757

To amend the Internal Revenue Code of 1986 to extend and modify the credits for alcohol used as a fuel, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 15, 2010

Mr. FORTENBERRY introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Transportation and Infrastructure and Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend the Internal Revenue Code of 1986 to extend and modify the credits for alcohol used as a fuel, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Renewable Fuels for  
5 America’s Future Act of 2010”.

1 **SEC. 2. REDUCTION IN CREDIT FOR FUEL REQUIRED TO**  
2 **MEET RENEWABLE FUEL OBLIGATION.**

3 (a) IN GENERAL.—Subsection (d) of section 40 of the  
4 Internal Revenue Code of 1986 is amended by adding at  
5 the end the following new paragraph:

6 “(8) ALCOHOL REQUIRED TO MEET RENEW-  
7 ABLE FUEL OBLIGATION NOT TAKEN INTO AC-  
8 COUNT.—

9 “(A) IN GENERAL.—Alcohol used to meet  
10 the renewable fuel obligation applicable to the  
11 taxpayer shall not be taken into account for  
12 purposes of determining a credit under this sec-  
13 tion.

14 “(B) RENEWABLE FUEL OBLIGATION.—  
15 For purposes of subparagraph (A), the term  
16 ‘renewable fuel obligation’ means the renewable  
17 fuel obligation determined under section  
18 211(o)(3) of the Clean Air Act (42 U.S.C.  
19 7545(o)(3)).

20 “(C) USE OF RINS.—Determinations for  
21 purposes of subparagraph (A) shall be made  
22 through the use of renewable identification  
23 numbers received from the taxpayer by the Ad-  
24 ministrator of the Environmental Protection  
25 Agency pursuant to regulations issued under  
26 section 211(o) of such Act.”.

1 (b) EXCISE TAX CREDIT.—Subsection (b) of section  
2 6426 of such Code, as amended by section 4 of this Act,  
3 is amended by redesignating paragraph (6) as paragraph  
4 (7) and by inserting after paragraph (5) the following new  
5 paragraph:

6 “(6) ALCOHOL REQUIRED TO MEET RENEW-  
7 ABLE FUEL OBLIGATION NOT TAKEN INTO AC-  
8 COUNT.—

9 “(A) IN GENERAL.—Alcohol used to meet  
10 the renewable fuel obligation applicable to the  
11 taxpayer shall not be taken into account for  
12 purposes of determining a credit under this  
13 subsection.

14 “(B) RENEWABLE FUEL OBLIGATION.—  
15 For purposes of subparagraph (A), the term  
16 ‘renewable fuel obligation’ means the renewable  
17 fuel obligation determined under section  
18 211(o)(3) of the Clean Air Act (42 U.S.C.  
19 7545(o)(3)).

20 “(C) USE OF RINS.—Determinations for  
21 purposes of subparagraph (A) shall be made  
22 through the use of renewable identification  
23 numbers received from the taxpayer by the Ad-  
24 ministrator of the Environmental Protection

1           Agency pursuant to regulations issued under  
2           section 211(o) of such Act.”.

3           (c) EFFECTIVE DATE.—The amendments made by  
4 this section shall apply to fuel produced or sold after De-  
5 cember 31, 2010.

6 **SEC. 3. EXTENSION OF INCOME TAX CREDIT FOR ALCOHOL**  
7 **USED AS FUEL.**

8           (a) IN GENERAL.—Paragraph (1) of section 40(e) of  
9 the Internal Revenue Code of 1986 is amended—

10           (1) by striking “December 31, 2010” in sub-  
11 paragraph (A) and inserting “December 31, 2015”,  
12 and

13           (2) by striking “January 1, 2013” in subpara-  
14 graph (B) and inserting “January 1, 2016”.

15           (b) CELLULOSIC BIOFUEL.—Subparagraph (H) of  
16 section 40(b)(6) of such Code is amended by striking  
17 “January 1, 2013” and inserting “January 1, 2016”.

18           (c) REDUCED AMOUNT FOR ETHANOL BLENDERS.—  
19 Paragraph (2) of section 40(h) of such Code is amended  
20 by striking “2010” and inserting “2015”.

21           (d) EFFECTIVE DATE.—The amendments made by  
22 this section shall take effect on the date of the enactment  
23 of this Act.

1 **SEC. 4. EXTENSION OF EXCISE TAX CREDIT FOR ALCOHOL**  
2 **USED AS FUEL.**

3 (a) IN GENERAL.—Paragraph (6) of section 6426(b)  
4 of the Internal Revenue Code of 1986 is amended by strik-  
5 ing “December 31, 2010” and inserting “December 31,  
6 2015”.

7 (b) EFFECTIVE DATE.—The amendment made by  
8 this section shall take effect on the date of the enactment  
9 of this Act.

10 **SEC. 5. EXTENSION OF ADDITIONAL DUTIES ON ETHANOL.**

11 Headings 9901.00.50 and 9901.00.52 of the Har-  
12 monized Tariff Schedule of the United States are each  
13 amended in the effective period column by striking “1/1/  
14 2011” and inserting “1/1/2016”.

15 **SEC. 6. ENSURING THE AVAILABILITY OF DUAL FUELED**  
16 **AUTOMOBILES AND LIGHT DUTY TRUCKS.**

17 (a) IN GENERAL.—Chapter 329 of title 49, United  
18 States Code, is amended by inserting after section 32902  
19 the following:

20 **“§ 32902A. Requirement to manufacture dual fueled**  
21 **automobiles and light duty trucks**

22 “(a) IN GENERAL.—For each model year listed in the  
23 following table, each manufacturer shall ensure that the  
24 percentage of automobiles and light duty trucks manufac-  
25 tured by the manufacturer for sale in the United States  
26 that are dual fueled automobiles and light duty trucks is

1 not less than the percentage set forth for that model year  
 2 in the following table:

“Model Year	Percentage
Model years 2012 and 2013 .....	50 percent
Model year 2014 and each subsequent model year.	90 percent.

3 “(b) EXCEPTION.—Subsection (a) shall not apply to  
 4 automobiles or light duty trucks that operate only on elec-  
 5 tricity.”.

6 (b) CLERICAL AMENDMENT.—The table of sections  
 7 for chapter 329 of title 49, United States Code, is amend-  
 8 ed by inserting after the item relating to section 32902  
 9 the following:

“32902A. Requirement to manufacture dual fueled automobiles and light duty  
trucks.”.

10 (c) RULEMAKING.—Not later than 1 year after the  
 11 date of the enactment of this section, the Secretary of  
 12 Transportation shall prescribe regulations to carry out the  
 13 amendments made by this section.

14 **SEC. 7. BLENDER PUMP PROMOTION.**

15 (a) BLENDER PUMP GRANT PROGRAM.—

16 (1) DEFINITIONS.—In this subsection:

17 (A) BLENDER PUMP.—The term “blender  
 18 pump” means an automotive fuel dispensing  
 19 pump capable of dispensing at least 3 different  
 20 blends of gasoline and ethanol, as selected by  
 21 the pump operator, including blends ranging

1 from 0 percent ethanol to 85 percent denatured  
2 ethanol, as determined by the Secretary.

3 (B) E-85 FUEL.—The term “E-85 fuel”  
4 means a blend of gasoline approximately 85  
5 percent of the content of which is ethanol.

6 (C) ETHANOL FUEL BLEND.—The term  
7 “ethanol fuel blend” means a blend of gasoline  
8 and ethanol, with a minimum of 0 percent and  
9 maximum of 85 percent of the content of which  
10 is denatured ethanol.

11 (D) SECRETARY.—The term “Secretary”  
12 means the Secretary of Energy.

13 (2) GRANTS.—The Secretary shall make grants  
14 under this subsection to eligible facilities (as deter-  
15 mined by the Secretary) to pay the Federal share  
16 of—

17 (A) installing blender pump fuel infra-  
18 structure, including infrastructure necessary—

19 (i) for the direct retail sale of ethanol  
20 fuel blends (including E-85 fuel), includ-  
21 ing blender pumps and storage tanks; and

22 (ii) to directly market ethanol fuel  
23 blends (including E-85 fuel) to gas retail-  
24 ers, including inline blending equipment,

1 pumps, storage tanks, and loadout equip-  
2 ment; and

3 (B) providing subgrants to direct retailers  
4 of ethanol fuel blends (including E-85 fuel) for  
5 the purpose of installing fuel infrastructure for  
6 the direct retail sale of ethanol fuel blends (in-  
7 cluding E-85 fuel), including blender pumps  
8 and storage tanks.

9 (3) FEDERAL SHARE.—The Federal share of  
10 the cost of a project carried out under this sub-  
11 section shall be 50 percent of the total cost of the  
12 project.

13 (4) AUTHORIZATION OF APPROPRIATIONS.—  
14 There are authorized to be appropriated to the Sec-  
15 retary to carry out this subsection, to remain avail-  
16 able until expended—

17 (A) \$50,000,000 for fiscal year 2011;

18 (B) \$100,000,000 for fiscal year 2012;

19 (C) \$200,000,000 for fiscal year 2013;

20 (D) \$300,000,000 for fiscal year 2014;

21 and

22 (E) \$350,000,000 for fiscal year 2015.

23 (b) INSTALLATION OF BLENDER PUMPS BY MAJOR  
24 FUEL DISTRIBUTORS AT OWNED STATIONS AND BRAND-  
25 ED STATIONS.—Section 211(o) of the Clean Air Act (42



1 U.S.C. 7545(o) is amended by adding at the end the fol-  
2 lowing:

3 “(13) INSTALLATION OF BLENDER PUMPS BY  
4 MAJOR FUEL DISTRIBUTORS AT OWNED STATIONS  
5 AND BRANDED STATIONS.—

6 “(A) DEFINITIONS.—In this paragraph:

7 “(i) E-85 FUEL.—The term ‘E-85  
8 fuel’ means a blend of gasoline approxi-  
9 mately 85 percent of the content of which  
10 is ethanol.

11 “(ii) ETHANOL FUEL BLEND.—The  
12 term ‘ethanol fuel blend’ means a blend of  
13 gasoline and ethanol, with a minimum of 0  
14 percent and maximum of 85 percent of the  
15 content of which is denatured ethanol.

16 “(iii) MAJOR FUEL DISTRIBUTOR.—

17 “(I) IN GENERAL.—The term  
18 ‘major fuel distributor’ means any  
19 person that owns a refinery and di-  
20 rectly markets the output of a refin-  
21 ery.

22 “(II) EXCLUSION.—The term  
23 ‘major fuel distributor’ does not in-  
24 clude any person that owns less than  
25 50 retail fueling stations.

1                   “(iv) SECRETARY.—The term ‘Sec-  
 2                   retary’ means the Secretary of Energy,  
 3                   acting in consultation with the Adminis-  
 4                   trator and the Secretary of Agriculture.

5                   “(B) REGULATIONS.—The Secretary shall  
 6                   promulgate regulations to ensure that each  
 7                   major fuel distributor that sells or introduces  
 8                   gasoline into commerce in the United States  
 9                   through majority-owned stations or branded  
 10                  stations installs or otherwise makes available 1  
 11                  or more blender pumps that dispense E-85 fuel  
 12                  and ethanol fuel blends (including any other  
 13                  equipment necessary, such as tanks, to ensure  
 14                  that the pumps function properly) for a period  
 15                  of not less than 5 years at not less than the ap-  
 16                  plicable percentage of the majority-owned sta-  
 17                  tions and the branded stations of the major fuel  
 18                  distributor specified in subparagraph (C).

19                  “(C) APPLICABLE PERCENTAGE.—For the  
 20                  purpose of subparagraph (B), the applicable  
 21                  percentage of the majority-owned stations and  
 22                  the branded stations shall be determined in ac-  
 23                  cordance with the following table:

<b>“Applicable percentage of major-            ity-owned stations and branded            stations</b>	
<b>Calendar year:</b>	<b>Percent:</b>
2011 .....	10

**“Applicable percentage of majority-owned stations and branded stations**

<b>Calendar year:</b>	<b>Percent:</b>
2013 .....	20
2015 .....	35
2017 and each calendar year thereafter .....	50.

1                   “(D) GEOGRAPHIC DISTRIBUTION.—

2                                 “(i) IN GENERAL.—Subject to clause

3                                 (ii), in promulgating regulations under

4                                 subparagraph (B), the Secretary shall en-

5                                 sure that each major fuel distributor de-

6                                 scribed in that subparagraph installs or

7                                 otherwise makes available 1 or more blend-

8                                 er pumps that dispense E–85 fuel and eth-

9                                 anol fuel blends at not less than a min-

10                                imum percentage (specified in the regula-

11                                tions) of the majority-owned stations and

12                                the branded stations of the major fuel dis-

13                                tributors in each State.

14                                “(ii) REQUIREMENT.—In specifying

15                                the minimum percentage under clause (i),

16                                the Secretary shall ensure that each major

17                                fuel distributor installs or otherwise makes

18                                available 1 or more blender pumps de-

19                                scribed in that clause in each State in

20                                which the major fuel distributor operates.

21                                “(E) FINANCIAL RESPONSIBILITY.—In

22                                promulgating regulations under subparagraph

1 (B), the Secretary shall ensure that each major  
2 fuel distributor described in that subparagraph  
3 assumes full financial responsibility for the  
4 costs of installing or otherwise making available  
5 the blender pumps described in that subpara-  
6 graph and any other equipment necessary (in-  
7 cluding tanks) to ensure that the pumps func-  
8 tion properly.

9 “(F) PRODUCTION CREDITS FOR EXCEED-  
10 ING BLENDER PUMPS INSTALLATION REQUIRE-  
11 MENT.—

12 “(i) EARNING AND PERIOD FOR AP-  
13 PLYING CREDITS.—If the percentage of the  
14 majority-owned stations and the branded  
15 stations of a major fuel distributor at  
16 which the major fuel distributor installs  
17 blender pumps in a particular calendar  
18 year exceeds the percentage required under  
19 subparagraph (C), the major fuel dis-  
20 tributor shall earn credits under this para-  
21 graph, which may be applied to any of the  
22 3 consecutive calendar years immediately  
23 after the calendar year for which the cred-  
24 its are earned.

1           “(ii) TRADING CREDITS.—Subject to  
2           clause (iii), a major fuel distributor that  
3           has earned credits under clause (i) may  
4           sell the credits to another major fuel dis-  
5           tributor to enable the purchaser to meet  
6           the requirement under subparagraph (C).

7           “(iii) EXCEPTION.—A major fuel dis-  
8           tributor may not use credits purchased  
9           under clause (ii) to fulfill the geographic  
10          distribution requirement in subparagraph  
11          (D).”.

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