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Grassley Advances Alternative Energy Production Tax Priorities

WASHINGTON – Iowa Sen. Chuck Grassley today helped to advance tax incentives to produce energy from alternative sources such as corn-based ethanol, cellulosic ethanol, wind, biomass, and biodiesel. Grassley, as the ranking Republican on the Finance Committee, shaped the energy tax incentives package passed out of committee today.

"The tax package builds on what I worked for in 2005 as chairman of the Senate Finance Committee for ethanol, wind, biodiesel and a lot of other renewables and conservation," Grassley said. "It reflects continuing energy needs for the 21st century. People need tax certainty to invest in infrastructure and keep production moving. Production has to meet demand and alternative energy has never been in such demand as it is right now."

The *Energy Advancement and Investment Act of 2007* extends key alternative energy tax incentives through 2013. It also includes new incentives, such as a production tax credit for cellulosic fuel.

"It's important to recognize cutting-edge technology like what's used in cellulosic and fossil-free ethanol production," Grassley said. "With this tax package, public policy is keeping up with the technology."

The tax bill is expected to be merged with the energy policy bill before the full Senate this week.

Grassley has long been one of the most outspoken advocates in Congress for developing domestically produced alternative, renewable energy such as ethanol.

In 1997, Grassley led the fight in Washington to secure the ethanol program through 2007 by extending for ten years the ethanol producer tax credit that goes to blenders. In subsequent years he championed numerous legislative initiatives to further encourage the development and use of ethanol. As chairman of the Senate Finance Committee, he authored the tax title of the *Energy Policy Act of 2005*, which included another extension of the excise tax credit for blenders, and extension and expansion of the small ethanol producers tax credit and the infrastructure tax credit. In addition, Grassley was a leading proponent of the Renewable Fuels Standard that is in the 2005 energy bill. This standard requires the use of 7.5 billion gallons annually of ethanol or biodiesel by 2013. Grassley also authored the *Wind Energy Incentives Act of 1993*, which established the first-ever wind energy production tax credit.