HOUSE DOCKET, NO. 2457 FILED ON: 1/20/2011

HOUSE . . . . . No. 3204

The Commonwealth of Massachusetts

PRESENTED BY:

Bradley H. Jones, Jr.

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying:

An Act relative to biofuel feedstock tax incentives.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Bradley H. Jones, Jr.	*20th Middlesex*
Donald F. Humason, Jr.	*4th Hampden*
F. Jay Barrows	*1st Bristol*
George T. Ross	*2nd Bristol*
Donald H. Wong	*9th Essex*
Sheila C. Harrington	*1st Middlesex*
Matthew A. Beaton	*11th Worcester*
Kimberly N. Ferguson	*1st Worcester*
Paul K. Frost	*7th Worcester*
George N. Peterson, Jr.	*9th Worcester*
Elizabeth A. Poirier	*14th Bristol*
Viriato Manuel deMacedo	*1st Plymouth*

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HOUSE . . . . . No. 3204

By Mr. Jones of North Reading, a petition (accompanied by bill, House, No. 3204) of Bradley H. Jones, Jr., and others relative to income tax incentives for the use of biofuel feedstock for heating purposes. Revenue.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE
HOUSE
, NO. *2787* OF 2009-2010.]

The Commonwealth of Massachusetts

An Act relative to biofuel feedstock tax incentives.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. Section 6 of chapter 62 of the General Laws, as most recently amended by chapter 240 of the Acts of 2010, is hereby amended by adding the following new subsection:-

(r)(1) As used in this subsection the following words shall, unless the context clearly requires otherwise, have the following meanings:-

“Agricultural producer”, a taxpayer that produces renewable biomass used in the production of cellulosic biofuel.

“Cellulosic biofuel”, fuel that may be used in place of petroleum-based fuel derived from cellulose, hemicelluloses, or lignin derived from renewable biomass.

"Renewable biomass", non-fossil fuel based material, including: planted crops; crop residues; planted trees and tree residues from sustainably managed forests; waste materials including animal waste, animal byproducts, organic portions of municipal solid waste, grease trap waste, construction and demolition debris; and algae, or as otherwise determined by the division in consultation with the department and the executive office of energy and environmental affairs.

(2) An agricultural producer shall be allowed a credit against the taxes imposed by this chapter for production of renewable biomass used in the production of cellulosic biofuel .

17 (3) The amount of the credit shall be calculated as follows:

18 (i) Determine the quantity of renewable biomass transferred to a cellulosic biofuel
19 producer during the tax year;

20 (ii) Categorize the renewable biomass into appropriate categories; and

21 (iii) Multiply the quantity of renewable biomass in a particular category by the
22 appropriate credit rate for that category, as prescribed in paragraph (6).

23 (4) The tax credit shall be taken against the taxes imposed under this chapter and shall
24 not be refundable. The amount of the credit claimed under this section for any tax year may not
25 exceed the tax liability of the taxpayer. Any amount of the tax credit that exceeds the tax due for
26 a taxable year may be carried forward by the taxpayer to any of the 5 subsequent years.

27 (5)(i) A cellulosic biofuel producer shall provide a written receipt to an agricultural
28 producer at the time renewable biomass is transferred from the agricultural producer to the
29 cellulosic biofuel producer. The receipt must state the quantity and type of renewable biomass
30 being transferred and that the renewable biomass is to be used to produce cellulosic biofuel .

31 (ii) Each agricultural producer shall maintain the receipts described in this subsection in
32 their records for a period of at least five years after the tax year in which the credit is claimed or
33 for a longer period of time prescribed by the commissioner.

34 (ii) The credit shall be claimed on a form prescribed by the commissioner that contains
35 the information required by the commissioner.

36 (6) The credit rates for renewable biomass shall be:

37 (i) For planted crops or crop residue, $0.05 per pound.

38 (ii) For grease trap waste, $0.10 per gallon.

39 (iii) For algae or wastewater biosolids, $10.00 per wet ton.

40 (iv) For planted trees and tree residues from sustainably managed forests, $10.00 per
41 green ton.

42 (v) For yard debris and organic portions of municipal solid waste, $5.00 per wet ton.

43 (vi) For animal waste or animal byproducts, $5.00 per wet ton.

44 (7) The commissioner, in consultation with the secretary, shall promulgate regulations
45 necessary for the administration of this subsection.