HOUSE DOCKET, NO. 2462 FILED ON: 1/20/2011

HOUSE . . . . . No. 3205

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 a biofuel production tax credit.

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*
Bruce E. Tarr	*[District]*
George N. Peterson, Jr.	*9th Worcester*
Bradford Hill	*4th Essex*
Elizabeth A. Poirier	*14th Bristol*
Viriato Manuel deMacedo	*1st Plymouth*

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HOUSE . . . . . No. 3205

By Mr. Jones of North Reading, a petition (accompanied by bill, House, No. 3205) of Bradley H. Jones, Jr., and others relative to the granting of tax credits for certain persons engaged in the production of cellulosic biofuels in the Commonwealth. Revenue.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE
HOUSE
, NO. *2785* OF 2009-2010.]

The Commonwealth of Massachusetts

An Act relative to a biofuel production tax credit.

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. Chapter 63 of the General Laws, as most recently amended by section 129 of chapter 240 of the Acts of 2010, is hereby further amended by adding the following new section:-

Section 38CC. (a) A taxpayer engaged in the production of eligible cellulosic biofuels in the commonwealth, as defined in section 1 of chapter 64A, shall be allowed a credit against the taxes imposed by this chapter on income derived during the taxable year from the production of eligible cellulosic biofuel for increases in annual production during the first 3 years of production. For the purposes of this section, the production year is the period from July 1 of the current year to June 30 of the succeeding year.

(b) Except as provided in subsection (c), the credit allowed on each gallon of increased cellulosic biofuel production that replaces the use of petroleum or liquid fuels derived from other fossil carbon sources over the previous year, in accordance with paragraph (a), is 10 cents a gallon for each gallon of increased production. In blends with petroleum or other non-cellulosic biofuels, the credit is allowed only on the portion of that blend that the cellulosic biofuel constitutes.

(c) The credit allowed in subsection (b) may be claimed for:

17 (1) the first year's total production;

18 (2) the production in the second year that exceeds production in the first year; and

19 (3) the production in the third year that exceeds production in the second year.

20 (d) The tax credit shall be taken against taxes imposed under this chapter and shall not be
21 refundable. Any amount of tax credit that exceeds the tax due for a taxable year may be carried
22 forward by the taxpayer to any of the 5 subsequent taxable years.

23 (e) Cellulosic biofuels for which the credit is allowed must meet state and federal
24 regulatory requirements applicable to the nature and intended use of the fuel produced, and shall
25 be classified as “eligible cellulosic biofuels” in accordance with the provisions of section 1A of
26 chapter 64A.

27 (f) The commissioner, in consultation with the secretary, shall promulgate regulations
28 necessary for the administration of this subsection.