

112TH CONGRESS  
1ST SESSION

# S. 530

To modify certain subsidies for ethanol production, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

MARCH 9, 2011

Mrs. FEINSTEIN (for herself and Mr. WEBB) introduced the following bill;  
which was read twice and referred to the Committee on Finance

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## A BILL

To modify certain subsidies for ethanol production, 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. ETHANOL ELIGIBLE FOR BLENDER INCOME**  
4 **TAX AND FUEL EXCISE TAX CREDITS.**

5 (a) INCOME TAX CREDIT.—Section 40(h) of the In-  
6 ternal Revenue Code of 1986 is amended by adding at the  
7 end the following new paragraph:

8 “(4) ETHANOL ELIGIBLE FOR CREDIT.—In the  
9 case of any sale or use for any period after June 30,  
10 2011, this subsection shall apply only to ethanol  
11 which qualifies as an advanced biofuel (as defined in

1 section 211(o)(1)(B) of the Clean Air Act (42  
2 U.S.C. 7545(o)(1)(B))).”.

3 (b) **EXCISE TAX CREDIT.**—Section 6426(b) of the In-  
4 ternal Revenue Code of 1986 is amended by adding at the  
5 end the following new paragraph:

6 “(7) **ETHANOL ELIGIBLE FOR CREDIT.**—In the  
7 case of any sale, use, or removal for any period after  
8 June 30, 2011, no credit shall be determined under  
9 this subsection with respect to an alcohol fuel mix-  
10 ture in which any of the alcohol consists of ethanol  
11 unless the ethanol qualifies as an advanced biofuel  
12 (as defined in section 211(o)(1)(B) of the Clean Air  
13 Act (42 U.S.C. 7545(o)(1)(B))).”.

14 (c) **EFFECTIVE DATE.**—The amendments made by  
15 this section shall apply to any sale, use, or removal for  
16 any period after June 30, 2011.

17 **SEC. 2. ETHANOL TARIFF-TAX PARITY.**

18 Not later than 30 days after the date of the enact-  
19 ment of this Act, and semiannually thereafter, the Presi-  
20 dent shall reduce the temporary duty imposed on ethanol  
21 under subheading 9901.00.50 of the Harmonized Tariff  
22 Schedule of the United States by an amount equal to the  
23 reduction in any Federal income or excise tax credit under  
24 section 40(h), 6426(b), or 6427(e)(1) of the Internal Rev-  
25 enue Code of 1986 and take any other action necessary

1 to ensure that the combined temporary duty imposed on  
2 ethanol under such subheading 9901.00.50 and any other  
3 duty imposed under the Harmonized Tariff Schedule of  
4 the United States is equal to, or lower than, any Federal  
5 income or excise tax credit applicable to ethanol under the  
6 Internal Revenue Code of 1986.

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